

THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

MAY, 1864.

OUR NATIONAL FINANCES.

CONTRACTION VS. INFLATION.

OUR National Finances, how they can and should be managed so as to avoid, if possible, the disasters which threaten—is a question of the greatest interest and importance to us at the present time. Ever since this war began we have labored, by appealing to history and to reason, as well as by foreshadowing the disaster that must inevitably flow from a depreciated paper currency, to impress upon our readers the importance of sound financial principles. To fail in the war we are now carrying on is, as all will admit, no trifling matter, and yet the whole issue in the event of its being prolonged, will depend upon our financial policy. Let any of our readers ask himself, what will be our position in a year from now with even the same comparative rise in paper money prices, (or, more properly speaking, depreciation in the currency) we have experienced the last six months. It will not do to charge this rise to speculation as many delight to do. We will grant there is speculation in every commodity, and common sense teaches, and history shows us, that this speculation will increase four fold; for it is caused by the very inflation that is now going on. It may receive temporary checks; but unless the cause is removed, it will break out again, more wildly than ever, until the whole bubble bursts. The present is simply illustrating what the past has proved—that when the standard of value is once lost sight of or interfered with by government action, there is no safety—prices must rise—speculation must reap a harvest.

But the errors of the past are not now what we have to do with, for nearly all reflecting men are at length alive to them, and the only question is, how shall we best return to or approach correct principles; how can the impending difficulties be avoided. This unanimity of sentiment as to the past is certainly a favorable indication, promising well for the future. It is not too late to save ourselves, but the disease requires prompt action and severe remedies. All then who are in earnest in this war, all who desire the success of the government and the overthrow of the rebellion, in a word, all who seek their countries welfare, should act

together at once, and see to it that some correct financial policy is adopted without delay.

And, in considering financial matters, it should be remembered that any remedy proposed must not only contemplate a cure, but also provide the ways and means for the support of government. Our daily wants are large, and must be met. And yet one thing is clear—they must not be met by further issues of government paper. *Inflation* is the cause of our present distress, *contraction* alone will be the cure. Increasing the amount of circulation, or multiplying banks, and giving them the privilege of issuing notes, cannot be condemned in too strong terms. The plea of necessity will not stand since no such necessity exists, for the required funds can be easily raised, as has been demonstrated the past year.

Nor will any relief be found in knocking down the price of gold; that only aggravates the difficulty. The rise in this metal is not the cause of the rise in prices, as all know, but is merely a result of the same cause that appreciates all values. Speculators may for a time be able to carry the price up unduly, the same as they may that of butter or any other commodity, but it cannot be a permanent rise; nor can any unnatural depreciation in its value be permanent. Gold has a fixed value throughout the civilized world, and the idea that the few handfuls in Wall Street are to change it, is novel. If by law or government acts we force its value below its true value, it will leave the country only the faster, seeking the point where it is worth more. Or, on the other hand, if speculators run it up beyond its true value, it will flow into the country and not flow out. Gold like every other commodity always seeks the market where the highest prices for it rule. These principles are so plain and self-evident, and have been repeated and enlarged upon in these pages so often that they are as familiar to our readers as household words.

Then, again, no hesitating or doubting policy will work a cure. There must be a radical change, and that at once. Suppose we hesitate and wait until, for instance, there has been a battle on the Potomac. Of course we all hope and expect it will result in a victory. Yet the past should teach us that the event of any battle is uncertain. Should we then be unfortunate in it, is there not danger of a financial panic, and who can tell the consequences in the present feverish state of the money market. The only safety is to act at once.

It should be remembered, also, that this change of policy involves high rates of interest. Money can be borrowed at five or even one per cent if sufficient greenbacks are emitted to flood the market; and with the money thus obtained we can have the pleasure of paying one hundred per cent more for supplies. But when this currency is being retired of course the rates of interest must rise and prices fall. The government, therefore, to obtain the necessary funds, will have to increase the rate of interest on its bonds from time to time, but will be compensated many times over in the fall in prices. We would refer our readers to the *Commercial Chronicle and Review* in this number of the Magazine for a faithful history of the effect on prices, &c., of the government financial measures, and from the figures there given one may easily see how we have thoughtlessly allowed ourselves to be carried down the stream, our fears being quieted by an apparent prosperity, abundance of money and low rates of interest. It is evident too from the facts stated, showing the effects of the present system, what would be the effect now of contraction. Hence the first step

in a sound financial system must be to raise the interest on our loan to six per cent, and retire a part of the currency obtained by negotiating it.

Another point we must bear in mind at this time is that the disease is of long standing, and the remedy, therefore, must be a severe one. All will be called upon to make sacrifices in some respect greater than have yet been made. There is wealth enough in the country to carry on this war for years, if that wealth is only brought out by proper taxation, and there is no doubt that the country is not only ready for it but earnestly desires it. As we stated in the early part of 1862, "we cannot and do not expect, at this time of peril to our country, to keep all we would like, we must choose that which is most precious to us, without which, our existence as a nation would be worthless; we must save this first, and the rest afterwards, if we can. We must have subordination to our government; we must have its laws upheld and its authority maintained; we must have peace in our homes and prosperity in our market-places, and whatever it costs we must pay for them. *But let it be with the preventive ounce rather than with the curative pound.* Let us remove our mountain, one load at a time; let us eat our peck of sand grain by grain, and both will be gone before we know it.

"For years, taxation has been held up, like a scarecrow on a pole, to frighten generation after generation of men; but, like most other bugaboos, when you walk boldly up to it and grasp it, 'tis but the semblance of a horror; it has flapped in the wind long enough, and scares us no more. On the contrary, we begin to like it. The physic that a well man rejects with disgust, he swallows with gladness when he is sick; and our big pill has been transformed into a great bon-bon. We had so much rather be taxed than to be impoverished; so much sooner pay a tithe of our income this year, than not to get any at all next year; we so much prefer to be 'hard up' now, than to be hard down by and by, that we clamor for taxation as the best blessing of life."

Had this taxation been laid then, we should have escaped many of our present troubles.* Still it is not too late even now to save the country from the financial disaster that threatens. Let us, therefore, have no child's play about it. Our finances can only be put upon a sound basis by a thorough system of taxation giving us a revenue of at least \$400,000,000. Less might have done two years ago, but we must now pay for past folly and fun.

Another feature of the new system must be the taxation of all State and national bank circulation out of existence. Much has been said of late in regard to the inflation caused by State Banks. Even the Treasurer has charged, in a letter written to the Committee on Ways and Means, that the present rise in prices is due to these persecuted institutions, but at the same time is exerting himself to the utmost to obtain the passage of bills through Congress extending the circulation of United States Banks, and granting them all kinds of privileges. Such acts, coupled with such professions, we cannot understand. If State bank circulation is an evil, certainly it is not mitigated by transferring that circulation to United States Banks, and increasing it. We have no objection to these new banks if the country wants them, but we do object decidedly to persecut-

* We published in the February number (1864,) an article by the Hon. AMASA WALKER, on this subject of taxation which contains very many valuable suggestions.

ing the old tried institutions of the land that have served us so well in times past; and further, we protest most earnestly against allowing these new pets at a moment like this to infest the land with their circulation like the frogs of Egypt. To the country at the present time belongs all the advantages of this mode of borrowing. Greenbacks, and greenbacks only, should be our currency till the war is ended. Whatever interest is to be made in this way, should be saved by Government, and not given away to banks. The country can not afford to spend one penny more than is absolutely necessary with the strictest economy. Our financial condition is critical, but not past remedy if the proper means are used at once and without fear or favor. Let us, therefore, treat all banks alike, and while the government is required to retire a part of its circulation, require them to retire all of theirs. Corporations as well as individuals must expect to make sacrifices at the present time.

Such, then, is a faint outline of what we believe should be our financial system at the present time, or, more correctly speaking, of the remedies required to cure the present evils. It may be feared by some that sufficient means cannot be thus obtained to support government while a portion of the currency is being retired. We think it is very clear that no such difficulty could arise.* The past has shown the ability of the government to sell its bonds, and if it will only raise its interest the demand for them can be very greatly increased. Then, too, a large portion of the expenses will be paid by taxation. If we raise four hundred millions in this way as proposed, a greatly increased revenue will be secured for the government, its credit will be improved and the demands for its bonds became more extensive. But besides all this, the retiring of a portion of the government currency and of all the circulation now issued by the banks, will reduce the government expenses at least one third by reason of the fall in prices that will ensue, and thus our finances may be gradually placed upon a sound basis.

Much more might be said—the ideas we have thrown out might be extensively enlarged upon, but we think we have said enough to show that our national disease is not incurable, and yet to indicate the absolute necessity there is for prompt and earnest action. We trust and pray that those who manage our country's affairs at the present time may see the dangers by which we are surrounded, and act before it is too late.

* If any difficulty should arise in obtaining the necessary funds (which we cannot believe possible) it would be only temporary and during the first stages of a change of policy. In such case relief could be found by issuing one or two year Treasury notes, with interest high enough to make them in demand as a temporary investment, taking away from them the legal-tender feature of the present issues, but permitting their conversion, principal and accrued interest, into legal-tenders on certain notice. Thus the use of a very large portion of the deposits in our banks would be obtained by government.

COMMERCIAL LAW. No. 12.

PARTNERSHIP.—*Continued.*

REMEDIES OF PARTNERS AGAINST EACH OTHER.

It is seldom that a partner can have a claim against another partner, *as such*, which can be examined and adjusted without an investigation into the accounts of the partnership, and, perhaps, a settlement of them. Courts of law have ordinarily no adequate means of doing this; and therefore it is generally true that no partner can sue a copartner at law for any claim growing out of partnership transactions and involving partnership interests. But the objection to a suit at law between partners goes no further than the reason of it; and, therefore, one may sue his copartner upon his agreement to do any act which is not so far a partnership matter as to involve the partnership accounts.

If the accounts are finally adjusted, either partner may sue for a balance; and so it would be if the accounts generally remained open, but a specific part of them were severed from the rest, and a balance found on that. The rule is generally laid down, that an action cannot be sustained by a partner against a partner for a balance, unless there is an express promise to pay it. But such promise would, we think, be inferred in all cases in which an account had been taken, and a balance admitted to be due.

In Massachusetts, and perhaps elsewhere, any action at law between partners can be maintained, provided a rendering of judgment in this action will completely terminate all partnership matters, so that no further cause of action can grow out of them.

What a court of law cannot do, however, in this respect, a court of equity can; and, generally, equity has a full jurisdiction over all disputes and claims between partners, and may do whatever is necessary to settle them in conformity with justice.

Whether a court of equity will order an account without decreeing dissolution, may not be quite settled; because, in the great majority of cases, these ought to go together. But we think that an account would be decreed, and a balance struck, without a decree of dissolution, if the circumstances were such as made a dissolution unnecessary or inequitable.

A partner may sue his copartner for money advanced before the partnership was formed, although the loan was made to promote the partnership. And for work done for the firm before he became a member of it, he may sue those who were members when he did the work. And he may sue a copartner on his note or bill, although the consideration was on partnership account; but, in general, no action can be maintained for work and labor performed, or money expended for the partnership.

It is now quite certain that a partner who pays more than his proportion of a debt of the partnership cannot demand specific contribution from his copartners, but must charge his payment to the firm. The reason is, that they may have claims against him on other accounts, and they must be all settled together to strike the balance.

If one of a firm be a member also of another firm, the one firm cannot sue the other; for the same person cannot be plaintiff and defendant of

record. A cannot sue A; and therefore A, B, & C cannot sue C, D, & E. And although the fraud of a copartner, as in negotiating a note, or in any similar transaction, if brought home to the party dealing with him, constitutes a good defence for the firm, they cannot institute an action founded upon the fraud, as, for instance, to recover property or documents fraudulently passed away, because the fraudulent copartner would have to be co-plaintiff in the action. In all these cases an adequate remedy may be found in a court of equity.

If a firm have a negotiable note which it cannot sue, because one of its own firm is liable upon it, and must be made defendant, it can indorse the note over, and the indorsee may sue it in his own name, as we have before stated.

The partners are entitled to perfect good faith from each co-partner: and a court of equity will interfere to enforce this. No partner will be permitted to treat privately, and for his own benefit alone, for a renewal of a lease, or to transfer to himself any benefit or interest properly belonging to the firm. And so careful is a court of equity in this respect, that it will not permit a co-partner, by his private contract or arrangement, to subject himself to a bias or interest which might be injurious to the firm, and conflict with his duty to them, but will declare void any contract of this kind.

RIGHTS OF THE FIRM AGAINST THIRD PARTIES.

The principles of agency apply to cases of partnership so far, that, if one borrows money of a person who is a copartner, and who lends the money of his firm, either this copartner or the firm may bring an action for it, although the borrower did not know that the firm lent it; the firm standing in the relation of an undisclosed principal, as stated in the article on Agency. So, if a partner sells the goods of the firm in his own name, they may sue for the price. But the rights of one who deals in good faith with a copartner, as with him alone, are so far regarded, that he may set off any claim, or make use of any other defences against the suit of the firm, which he could have made had the person with whom he dealt sued alone.

Therefore, if A honestly bought goods of a firm from a partner whom he supposed to be sole owner of them, and paid him the price, the firm could not recover this price from the buyer, although the seller sold the goods fraudulently, and cheated the firm out of the money.

A guaranty to a copartner, if for the use and benefit of the firm, gives to them a right of action.

A new firm, created by some change in the membership of an old firm, is entitled to the benefit of a guaranty given to the old firm, even if sealed, provided it shall distinctly appear that the instrument was intended to have that effect.

RIGHTS OF CREDITORS IN RESPECT TO FUNDS.

The property of a partnership is bound to pay the partnership debts; and, therefore, a creditor of one copartner has no claim to the partnership funds until the partnership debts are paid. If there be then a surplus, he may have that copartner's interest therein, in payment of his private debt.

If a private creditor attaches partnership property, or in any way seeks to appropriate it to his private debt, the partnership debts being unpaid, he cannot hold it, either at law or in equity. Such attachment or appropriation is wholly subject to the paramount claims of the partnership creditors,

and is wholly defeated by the insolvency of the partnership, although the partnership creditors have not brought any action for their debts.

Hence, if a creditor of A attaches his interest in the property of A, B, & Company, and a creditor of A, B, & Company attaches the same property, the first attachment is postponed to the second; that is, it has no effect until the debt of the second creditor is fully satisfied, and then it is good for the surplus of property. It seems, however, that, if one partner is dormant and unknown, the creditor of the other attaching the stock is not postponed to the creditor who discovers the dormant partner and sues him with the other; unless the first attaching creditor's claim has no reference to the partnership business, and that of the second attaching creditor has such reference.

Whether the converse of this rule is true, and the partnership creditors are restrained from appropriating the private property of the copartners until the claims of their private creditors are satisfied, is not, perhaps, entirely settled. But this is certainly the rules in courts of equity. And although at law the practice has not been so, and there are strong remarks and decisions against it, yet some recent adjudications indicate that the rule may be established at law.

It seems inequitable that a private creditor of a partner cannot interfere with that partner's interest in the partnership property until all the partnership debts are paid, but that a partnership creditor may attach the private property of partners just as well as he can the partnership property. We think the law ought to be, and that it is now tending to become this. A partnership is a kind of body by itself, somewhat like a corporation. It has its own funds, and its own debts. The individual members may also have each his own funds, and his own debts. The funds of the partnership should first be applied to the debts of the partnership; and if there be any surplus, the members have it, and their creditors get it. So the private funds of each member should first be applied exclusively to the payment of that person's private debts; and when they are wholly paid, the surplus should go to the partnership creditors, because each partner is responsible for the partnership debts. This rule prevails on the continent of Europe very generally.

It is now quite certain that the levy of a private creditor of one copartner upon partnership property can give him only what that copartner has; that is, not a separate personal possession of any part or share of the stock or property, but an undivided right or interest in the whole, subject to the payment of debts and the settlement of accounts; including also the right to demand an account.

As to how such levy and sale of the interest of one copartner shall be made by the sheriff, there is much diversity both of practice and of authority. Upon principle, we think the sheriff can neither seize, nor transfer by sale, either the whole stock or any specific portion of it. He should, we think, without any *actual seizure*, sell all the interest of the defendant partner in the stock and property of the partnership; much in the same way in which he would sell his right to redeem a mortgage, or any other incorporeal right, subject to attachment. The purchaser would then have a right to demand an account and settlement, and a transfer to him of any balance or property to which the copartner whom he sued would have been entitled.

In those jurisdictions where attachment on the writ is allowed, the

question whether the sheriff may seize and retain possession of the partnership property, upon an attachment issued by a creditor or one partner, presents still greater difficulties. Probably, however, such seizure and retention would be allowed wherever a seizure on execution is allowed. Where such seizure is not allowed, it may be impossible for the creditor to secure his debt by attachment, without the aid of statutory provisions specially adapted to the purpose.

Where the trustee process, or process of foreign attachment, is in use, perhaps the better way would be for the sheriff to return a general attachment of all the interest of the debtor in the partnership property, and summon the other partners as the trustees of the debtor.

It must be stated, however, that the rules of law in regard to the liability of partnership property for the private debts of partners, and as to how any liability may be enforced, are, at present, somewhat obscure and uncertain.

THE EFFECTS OF DISSOLUTION.

If the dissolution is caused by the death of any partner, the whole property goes to the surviving partners. They hold it, however, not as their own, but only for the purpose of settlement; and, therefore, they have, in relation to it, all the power which is necessary for that purpose, and no more. If they carry on the business with the partnership funds, they do so at their own risk, and the representatives of the deceased may require their share of the capital, and choose between calling on them, in addition, for interest, or for a share of the profits.

The survivors are not partners, but tenants in common (joint owners) with the representatives of the deceased of the stock or property in possession; and have all necessary rights to settle the affairs of the concern and pay its debts. After a dissolution, however caused, one who had been a partner has no authority to make or indorse notes or bills with the name of the firm, even if he be expressly authorized to settle the affairs of the firm. There must be a distinct authority to sign for the others who were formerly partners. A parol authority will be sufficient, even if the general terms of the partnership had been reduced to writing.

Whether a court of equity will give to partnership creditors a remedy, against the representatives of a deceased partner, when there is no insolvency, may be doubted. Formerly, the creditor could go only against the surviving partners, if solvent, and when they paid, they must look for their indemnity to the representatives of the deceased; but if the firm were insolvent, then the creditors might go at once against the representatives of the deceased, because each partner, and all his property, is bound for the whole debt of the firm. In England it is now settled, by recent decisions, that a court of equity will permit this resort to the representatives of the deceased, even where there is no insolvency, letting them look to the surviving partners for an adjustment of what they pay, in the settlement of their accounts with them. And though we cannot say that this is settled American law, it seems to us more consonant with the principles of the law of partnership, as now administered.

It is common, where a partnership is dissolved by mutual consent, to provide that some one of the partners shall settle up the affairs of the concern, collect and pay debts, and the like. But this will not prevent any person from paying to any partner a debt due to the firm; and if

such payment be made in good faith, the release or discharge of the partner is effectual.

If all the debts were assigned and transferred to any person, as his property, any debtor who had notice of this would be bound to make payment to this person alone. And if he paid anybody else, he would be obliged to pay the money over again.

It is frequently provided, that one partner shall take all the property and pay all the debts; but this agreement, though valid between the partners, has no effect upon the rights of third parties against the other partners; for they have a valid claim against all the partners, of which they cannot be divested without their consent.

This consent of the creditor may be inferred, but not from slight evidence; thus, not from receiving the single partner's note as a collateral security, nor from receiving interest from him on the joint debt, nor from a mere change in the head of the account, charging the single partner and not the firm. Still, as the creditor certainly can assent to this arrangement, and accept the indebtedness of one partner instead of that of the firm, so it must be equally clear that such assent and intention will bind him, if distinctly proved by circumstances.

LIMITED PARTNERSHIP.

These are unknown in England; but have been introduced into some of our States, by statutes, which differ somewhat in their provisions. Generally, they require, first, one or more *general* partners, whose names shall be known; secondly, *special* partners, who do not appear as members, nor possess the powers or discharge the duties of actual partners; thirdly, the sum to be contributed by the special partners shall be actually paid in; lastly, all these arrangements, with such other information as may be needed for the security of the public, must be verified under oath, signatures of all the parties, and acknowledgement before a magistrate, and correctly published. When these requisites are complied with, the special partners may lose all they have put in, but cannot be held to any further responsibility. But any neglect of them, or any material mistake in regard to them, even on the part of the printer of the advertisement, wholly destroys their effect; and then the special partner is liable for the whole debt, precisely like a general partner. Thus, in a case in Maine, the stock in trade was purchased with the capital advanced by A, under a contract making him a special partner; and it was held that the stock could be attached for the private debt of the general partner, whether the parties had so conformed to the statute as to form a special partnership or not. In another case in Maine, a sole general partner assigned *his* property for the benefit of creditors. It was held that the property of the special partnership did not pass. In a New York case, it was held that a mistake in the publication of the names of the partners, as Argale for Argall, would not vitiate the publication, because the mistake was not calculated to mislead. In another New York case, the day of the commencement of the partnership was stated in the public notice to be November 16, while in the original certificate it was October 16. It was held that the special partners were not liable as general partners, as the error was unintentional, and the plaintiff could not have been affected by it. It was held, also, that if a special partner purchase real estate on account of the firm, or if the title be taken in his name and with his con-

sent, he will be liable as a general partner; but not if his name be used without his consent. In another New York case, the amount contributed by the special partner was by mistake of the printer, stated at \$5,000, instead of \$2,000, and it was held that the associates were liable as general partners, although the plaintiff did not show that he was actually misled by the error. In still another New York case, it was held that an assignment of the partnership property, providing for the payment of a debt due the special partner, rateably with the other creditors of the firm, or before all the other creditors are satisfied in full for their debts, is void as against the creditors; but it would be valid as against the assignor and those creditors who think proper to affirm it.

LETTER TO MY COUNTRY YOUNG FRIEND ON SEEKING A SITUATION IN THE CITY.*

NEW YORK, April 15, 1864.

MY YOUNG FRIEND,—You express to me your purpose to seek your fortune, in the way of mercantile pursuits, in the city. As your mind is made up you only seek counsel of the best methods of success in the plans you have laid out for yourself. I am glad to find you in this position, as I have marked it as a fact that no advice or encouragement of friends in the city ever succeeded in making a successful business man of a country boy, who had not the original element of *enterprise* in his own nature. I make it a uniform rule to encourage no one in such a purpose, as you express, who has not enterprise and self-reliance enough to carry him forward, slowly perhaps, but surely independent of his friends. Otherwise, I might charge myself with responsibility for his inevitable failure of success. But in your plans you ask my friendly directions, and such suggestions as my observation and knowledge of the subject, and of those so engaged, may enable me to give, shall be at your service.

You are to learn at the outset that self-reliance is a very different quality from any inflated idea of your self-consequence. If you have supposed there was any magic in city life that can make a great man or eminent merchant out of a very obscure country youth, the sooner you undeceive yourself the better. The sooner you forget the flatteries and attentions of your country friends, as a basis of your hopes, the less you will be disappointed and mortified in discovering the small position and its laborious toils, that must lay the foundation of your success in your proposed under-

* Letters from young men in all parts of the country reach us asking advice as to their future course. To reply to them separately is clearly impossible: nor can one answer be framed that will suit all cases. In the Sketches of the Lives of Eminent Merchants and Bankers, published every other month, good counsel will be found from which our younger readers will reap advantage if they will only study and follow. What man has done man can do. But, besides these sketches, we endeavor to present, from time to time, words of caution and advice in other forms. The letter we now give furnishes many good practical suggestions of particular value to the class addressed, and will suit the case of some who have written us.—ED. HUNT'S MERCHANT'S MAGAZINE.

taking. It will indeed be well if high and honorable motives and aims shall guide your conduct and prompt your exertions. But modesty and satisfaction with reasonable expectations are, generally, the result of the highest moral qualities of human nature. They indicate a sound judgment—an essential endowment to success in mercantile life. If you come to the city to make your fortune, you should not expect to find it already made to your hands. Success is really the result of humble beginnings, patient perseverance, laborious industry, and a careful improvement of such opportunities as may come in one's way. A person who has no plan, or fixed purpose of life, should remain in the country, where indecision and a lack of enterprise do not leave their possessors so much of a burden to themselves and others. It is pitiable to see young men, with an appearance of ability, come to the city, and wait weeks or months to find situations, while the object of their wishes is made more and more uncertain of attainment, by their intimating views of employment wholly above the situation which an inexperienced youth can fill with profit to his employers. It has been said that there is no royal road to mathematics; there is certainly none to an elevated position in business in our cities; and the young man who, at the outset, is too proud or too indolent to do the drudgery of a porter, will seldom make a competent salesman or a responsible supervisor of a mercantile establishment.

But in seeking a situation, above all things avoid a begging, servile habit or manner, for these annihilate the confidence of others both as to your ability or integrity. Whether just or otherwise, the popular conclusion is, that the mind that has no shame to beg, would steal, if an opportunity offered. Sympathy for one's misfortunes or condition never carries with it a business confidence. True confidence, once established, may survive misfortunes, and sympathy may then command a noble and generous aid; but pity is the last sentiment to be excited in the mind of a stranger, whose interest and confidence is sought to be commanded.

You need not under-rate your ability, nor seek a lower situation than it would naturally command; but a lower situation, with a useful diligence in the same, is often the only available path to the higher; and is far preferable to none, while waiting for an opportunity to jump into the better place. But, whatever available situation you may obtain, endeavor to learn fully its duties, and to discharge them well, and you will learn in the result that the mercantile world is not ungrateful in its use of any grade of talents. Our trading men are shrewd to discover the mental and moral qualities which fit a man for any particular department of business, and, as a commodity in the market, a person will not fail, if the habit of devotion to business is in him, to meet with those who will appreciate and appropriate his talents, and yield him a just remuneration for his labors. Then, in seeking a situation, the first rule is not to be willingly idle for a single day; and then, to follow the leadings of providence in the exercise of a sound judgment and discretion for the future. Do not imagine that any useful employment is degrading or disreputable in the city. The man who carries a hod, or who drives a cart, is respected not only as a contributor to public and private wealth, but for the personal qualities which his diligence and attention to his calling may show him to possess. It is your country *quidnuncs* who lounge about our city hotels who ridicule "*low pursuits*" and "*small business*," and talk with affected servility and obsequiousness of the great wealth of the Astors and Peter Coopers, and other city millionaires.

Why should beginnings of life, similar to the antecedents of two-thirds of our successful merchants, be despised by them.

Beginning life, as you may find yourself, in the city, struggling to hold on perhaps to the very lowest round of the ladder against the current of poverty and personal necessities which threaten to drive you back to the country, bereft of the last shadow of your cherished hopes, the necessity of the strictest economy of personal expenses will be fully appreciated. A respectable dress and appearance, suited to your business position, cannot be dispensed with. This is due to your employer, and is a part of the consideration for which your salary is paid. And then you must board and associate with people of respectability; certainly with none not of this character. To continue to do this you must keep out of debt. Hence your situation will require the strictest self-denial as to amusements and mere social entertainments. Our churches are sufficiently *free*, where all may spend the Sabbath together without reproach or humiliation on account of differences in worldly condition; and in the Sabbath schools and Bible classes, any well-behaved youth will meet with social kindness and respect, and an appreciation of his intellectual and moral worth.

But while you will find a society within your means that shall be conservative of your highest good, and will not infringe on your moral and pecuniary obligations, it is important that for once, and all time, you deny yourself the amusements and associations of the self-styled fashionable society of the city. A morbid ambition to be admitted into these circles of fashionable life has proved the ruin of thousands of young men who have come from the country to seek their fortune with as honorable motives as your own. While hundreds of prosperous merchants have found it absolutely necessary to remove to the suburbs of New York to avoid the expenses incurred and entailed by Fifth Avenue soirees. How can sensible young men suppose it for their advantage to ruin their credit and the confidence of their employers by courting these expensive associations? These soirees are often gotten up by merchants of shattered credit to divert attention from the premonitions of the crash that is presently to sweep them away.

To a sound business man society of this cast affords neither profit nor pleasure. It is only necessary to add a single suggestion. In whatever employment or pursuit you engage, make yourself contented and cheerful in its duties; fulfil your engagements with punctuality and integrity, to the completion of their full time. Provide for changes for the better to take effect when you shall become free from prior engagements. If you cheerfully complete your contracts, it is an affair of your own whether you will renew it, guided by such experience and knowledge of men and business as you shall have acquired.

J. M. S.

FINANCES OF THE STATES.

(Continued from page 260.)

MASSACHUSETTS.

The revenue and expenses of the State of Massachusetts for the years 1862 and 1863, were as follows:—[This statement includes accounts unpaid as well as paid, accruing in or properly belonging to the years 1862 and 1863, as nearly as can be ascertained.]

	Receipts accruing in and belonging to the years	
	1862.	1863.
Bank taxes, and other sources. . . .	\$1,152,300 71	\$4,814,559 80
State taxes.	1,797,516 00	2,396,561 00
	<hr/>	<hr/>
	\$2,949,816 71	\$7,211,127 80
	Expenses accruing in and belonging to the years	
	1862.	1863.
Ordinary.	\$929,363 33	\$914,734 89
War, &c.	1,686,552 88	7,280,289 91
	<hr/>	<hr/>
Total.	\$2,615,886 11	\$8,195,024 70

Below is a detailed statement of the total receipts and disbursements for 1863 :

Total receipts from all sources during 1863.

Receipts as above, together with some items received accruing in 1862.	\$7,239,749 18
Receipts on account of various funds—Deposit loans	440,000 00
“ “ “ “ Temporary loans	375,000 00
State loan funded debt.	849,000 00
Union loan sinking fund.	222,584 28
Western Railroad loan sinking fund.	40,000 00
Norwich and Worcester Railroad loan sinking fund. .	10,000 00
Massachusetts school fund.	453,305 66
Alms-house sinking fund.	14,862 50
Allotment rolls.	888,310 26
Massachusetts volunteers.	90,147 10
Back Bay Lands fund.	242,673 97
Sales of Back Bay Lands.	870,984 00
Notes and mortgages, Back Bay Lands.	162,333 86
Essex Bridge fund.	4,226 75
Eastern Railroad Company.	25,000 00
Norwich and Worcester Railroad Company.	24,000 00
Troy and Greenfield Railroad Company.	12,229 00
Commissioners on Public Lands.	470,735 85
Troy and Greenfield Railroad sinking fund.	1,727 75
Returned allotments.	3,360 82
United States Government tax.	373 49
Alvin Walker, U. S. Paymaster.	40 00
Museum of Zoology.	12,207 67
Income Massachusetts school fund.	101,758 26

Income Indian school fund.....	75 00
“ Rogers' Book fund.....	67 83
“ Todd Normal School fund.....	332 00
“ Charles River and Warren Bridge fund...	5,510 66
Charles River and Warren Bridge fund.....	9,000 00
Rogers' Book fund.....	1,000 00
Cash on hand January 1, 1863.....	1,422,512 37

Total receipts from all sources during 1863.... \$13,993,108 26

Total payments during 1863.

Payments from ordinary revenue on account of expenses for 1863 and previous years.....	\$6,738,099 71
Payments on account of sundry funds—Back Bay Lands fund.....	98,620 93
Sales of Back Bay Lands.....	888,605 92
Commissioners Public Lands.....	401,768 72
Notes and Mortgages, Back Bay Lands.....	553,331 19
Massachusetts School fund—investments.....	263,000 00
Western Railroad loan sinking fund—paid commissioners.....	40,000 00
Norwich and Worcester Railroad loan sinking fund—paid commissioners.....	10,000 00
Essex Bridge fund—expenses.....	3,043 68
Norwich and Worcester Railroad Company—paid interest on Scrip.....	24,000 00
Eastern Railroad Company, paid interest on scrip...	25,000 00
Troy and Greenfield Railroad Company—paid commissioners on account of Land Claims, expenses and interest on scrip.....	290,602 22
Returned allotments—received from sundry sources	3,210 82
Allotment rolls—paid sundry parties.....	834,656 51
Massachusetts Volunteers—paid sundry parties.....	60,564 16
Interest on School fund for Indians—paid sundry schools.....	150 00
Income Todd Normal School fund—paid Treasurer Board of Education.....	891 00
Todd Normal School fund.....	5,000 00
Income Charles River and Warren Bridge fund....	5,227 00
Income School fund 1861-2.....	1,466 46
Sale House on Hancock Street.....	11,840 00
Income School fund 1862-3.....	98,856 12
Coast Defences.....	262,361 42
Temporary loans repaid.....	375,000 00
Volunteer bounty.....	621,476 86
Military fund.....	31,380 60
Enlistment of Recruits.....	77,537 92
Union Loan sinking fund.....	754,000 00
Cash on hand January 1, 1864, on account of various funds, &c.....	1,573,417 02
Total payments during 1863.....	\$13,993,108 26

The debt of the State is..... \$12,794,862 42

It has been increased during the year \$200,000 bounty loan; coast defences, \$388,000; Troy Railroad, \$209,000. The following is a statement of the debt and liabilities in detail:

Debt and Liabilities December 31, 1863.

Western Railroad Bonds, (interest payable in London or Boston by Corporation).....	\$3,999,555 56
Troy and Greenfield Railroad Sterling Bonds, (interest payable in London by Corporation).....	508,380 00
Dollar Bonds.....	625,500 00
Eastern Railroad Dollar Bonds.....	500,000 00
Norwich and Worcester Railroad bonds, (interest payable in Boston).....	400,000 00
Consolidation Statutes Scrip.....	150,000 00
Lunatic Hospital (Taunton,) Scrip—five per cent....	170,000 00
State Almshouse Scrip—five per cent.....	210,000 00
Enlargement of State House Scrip—five per cent....	165,000 00
Lunatic Hospital (Taunton,) and State Prison Scrip—five per cent.....	94,000 00
Six per cent scrip of 1856.....	201,000 00
Northampton Lunatic Hospital Scrip—six per cent..	200,000 00
Five per cent scrip of 1861.....	53,000 00
Six per cent scrip of 1861.....	247,000 00
Union Fund Loan of 1861.....	3,000,000 00
“ “ “ 1862.....	600,000 00
Back Bay Loan, 1862.....	220,000 00
Bounty Fund Loan, 1863.....	200,000 00
Coast Defence Loan, 1863.....	388,000 00
Deposit Loans.....	440,000 00
Sundry Liabilities.....	119,003 62
Sums due from Treasury and not yet called for.....	33,985 00
Sundry accounts.....	270,438 24
Total debt and liabilities.....	\$12,794,862 42

The following is a statement of the resources of the State in detail:

Unproductive Property.

State House and Land—Buildings..	\$384,750 00	
Land, 63,250 feet, at nine dollars...	569,250 00	
		\$954,000 00
Lunatic Hospital, Worcester—buildings and fixtures.....	\$190,000 00	
Land, one hundred and thirteen acres	22,600 00	
		212,600 00
Lunatic Hospital, Taunton—buildings and fixtures.....	\$200,000 00	
Land, one hundred & eighty-five acres	16,000 00	
		216,000 00

Lunatic Hospital, Northampton— buildings and fixtures.....	\$316,455 68	
Land, one hundred and seventy acres	15,000 00	331,455 68
Reform School for boys, Westboro'— buildings.....	\$128,273 08	
Original land donated by Mr. Lyman, two hundred and fifty acres, at a cost of \$12,500; total land now belonging to the Institution, two hundred and eighty acres.....	18,000 00	146,273 08
Nautical School—ship and fixtures,	20,000 00	20,000 00
Industrial School for girls, Lancaster —buildings, fixtures, and one hun- dred and forty acres of land.....	60,000 00	60,000 00
State Prison, Charlestown—buildings	452,866 94	
About six acres of land.....	250,000 00	702,866 94
State Almshouse, Monson—buildings and fixtures.....	\$88,492 42	
Land, one hundred & seventy-six acres	12,000 00	100,492 42
State Almshouse, Tewksbury—build- ings and fixtures.....	\$95,470 44	
Land, one hundred & thirty-five acres	8,000 00	103,470 44
State Almshouse, Bridgewater—build- ings and fixtures.....	\$90,304 78	
Land, one hundred and fifty-six acres	9,000 00	99,304 78
Rainsford Island Hospital—buildings and fixtures.....	\$50,000 00	
Land and wharf.....	5,000 00	55,000 00
State Arsenal, Cambridge—buildings	\$20,500 00	
Land.....	13,500 00	34,000 00
Magazine and Wharf at Captain's Island.....		9,840 00
Warren Bridge.....		50,000 00
Charles River Bridge.....		25,000 00
Malden Bridge.....		8,136 85
Yacht Whisper.....		2,500 00
Weights, Measures, and Balances.....		5,500 00
State Library.....		35,533 97

Productive Property.

Debt Extinguishment Fund—Western Railroad Stock,	\$1,080,240 00
Union Loan Sinking Fund—Sundry securities.....	\$1,766,500 00
Cash.....	208,058 42
	1,974,558 42

Bills Receivable—Balance of claim against the United States Government.....	1,864,318 31
Back Bay Lands' Fund—Estimated value of lands filled and unsold, exclusive of reservations for public purposes, streets, &c., about 866,000 feet, at \$1 75 per foot..	\$1,515,500 00
Lands unfilled, exclusive of streets, &c. about 285,000 feet, at 66 cents per foot.....	188,100 00
Bonds and Notes.....	453,061 16
	<hr/>
	2,156,661 16
Almshouse Sinking Fund—Sundry securities	\$47,500 00
Cash.....	30,623 37
	<hr/>
	78,123 37
Cash on hand January 1, 1864.....	\$1,513,417, 02
Total property of the Commonwealth except the funds, the income of which is especially appropriated....	\$11,839,292 44
Total debt of State, not including liabilities on account of Scrip loaned sundry Railroad Companies.....	6,627,961 64
	<hr/>
Surplus.....	\$5,211,330 80

MAINE.

The receipts from all sources in the State of Maine for the year 1862, have amounted to the sum of \$2,062,399 78, and the expenditures to the sum of \$1,791,932 84.

Received.		Expended.	
For war purposes..	\$1,103,058 13	For war purposes..	\$921,605 76
" soldiers' al't'm's	428,847 78	" soldiers' al't'm's	410,004 29
" civil purposes..	530,483 87	" pub. de't. & int.	150,040 00
		" civil purposes..	310,282 79
	<hr/>		<hr/>
Total receipts..	\$2,062,399 79	Total exp'ndit'r's	\$1,791,932 84
Balance in Treasury		Balance in Treasury	
Jan. 1, 1863....	94,353 54	Dec. 31, 1863..	364,822 48
	<hr/>		<hr/>
Total.....	\$2,156,753 32	Total.....	\$2,156,755 32

State Debt.

The following is a statement of the State debt on the 1st of January, 1864:

The bonded debt of the State of Maine Jan. 1, 1863, was \$1,472 000.

On the breaking out of the present war the debt stood as follows:

Debt incurred prior to and during the Aroostook	
war.....	\$449,000
Debt due for Massachusetts lands bought in 1863	250,000
Total debt prior to the war.....	698,000
War debt of 1861.....	800,000
	<hr/>
	\$1,499,000

Amount paid on debt in 1862.....	27,000	
Leaving the debt, Jan., 1863, as stated above.....		\$1,472,000
Amount of war debt added during 1863.....		950,000

Total amount of debt Jan. 1st, 1864..... \$2,422,000

The following are the resources of the State:

Resources of the State of Maine.

Cash in the Treasury January 1, 1864.....	\$364,822 48
Balance due on State taxes to 1863, inclusive.....	450,430 09

Securities in the Land Office.

Bills receivable.....	\$44,378 72
School fund.....	20,869 83
Bonds.....	18,056 86
	<hr/>
	83,305 41
	<hr/>
	\$898,557 98

MINNESOTA.

The annexed valuation and taxes of the State of Minnesota are as follows:

Number of acres of land.....	15,295,228		
" " " assessed.....	7,486,863		
Value at \$2 39 cents per acre... ..	\$17,926,233		
" of structure	721,595		
" of lots and structures.....	6,926,142		
" of personal property.....	5,040,931		
	<hr/>		
Total value.....	\$29,832,719		
State tax revenue....	\$74,764 80	School tax.....	59,042 16
" " interest.....	58,507 49	County "	181,912 35
Special tax.....	122,279 54	Township tax.....	40,223 45
Town tax.....	6,424 27	City "	5,700 08
Road tax.....	31,501 71	Poor "	1,308 83
			<hr/>
Total taxes.....			\$578,684 51

These aggregates as compared with previous years are as follows:

	Land per acre.	Real Estate.	Personal.	Total Valuation.	Taxes.
1858..	...	\$34,533,144	\$7,313,634	\$41,846,778	\$554,368
1859..	...	28,349,116	7,227,176	35,526,292	505,230
1860..	\$340	32,021,913	4,731,495	36,753,408	655,985
1861..	385	34,066,830	5,914,883	39,981,513	658,358
1862..	239	24,791,888	5,040,831	29,832,719	578,648

The receipts and expenditure for the year 1863:

	Receipts.		Expenses.
Taxes	\$199,884 22	General.....	\$450,758 61
United States....	201,732 00	Other	125,780 71
Loans	101,250 00		
Lands, &c.....	156,442 76		
	<hr/>		<hr/>
Total.....	\$659,308 98	Total.....	\$576,539,32
On hand Jan. 1, '63,	36,495 87	On hand Dec. 31, 1863,	119,325 53

The bonded debt of the State is as follows :

State Loan of July, 1858, for which Bonds were given bearing eight per cent interest, payable semi-annually in New York, principal payable July 1st, 1867.....	\$250,000 00
State War Loan of November 1st, 1862, for which Bonds were given, bearing seven per cent interest, payable semi-annually in New York, principal payable in 1872,	100,000 00
Total	\$350,000 00

The State Treasurer remarks that the floating indebtedness of the State is still large and the annual expenditures of the State Government are necessarily increasing year after year, while the valuation of taxable property is materially lower than in former years.

No insignificant portion of the States expenses is caused by the depreciation of our State Scrip, which comprises the floating indebtedness, and hence no effort should be spared to cancel these liabilities. Measures should be adopted by the Legislature for the attainment of this object, and then with a continuation of the most rigid economy, in every Department of the State Government, the State will, in a short time, be in a condition to meet every obligation in *cash* the moment it is incurred.

As one means to this end, I would respectfully recommend that the Interest Tax for the coming year be reduced from two mills, as it now is, to one mill on the dollar, and the difference added to the revenue tax, leaving the amount of State tax the same as the past year. This may be safely done, as the State Interest Fund has now a surplus of \$8,984, after providing for the Interest due in January and May next.

This, in itself, will not be sufficient to fully cancel, during the coming year, the whole amount of the floating indebtedness, and additional means should be devised to increase the Revenue Tax.

As the amount of money to be apportioned from the General School Fund hereafter, will fully equal the whole amount derived from the two mill School Tax, this tax might be reduced one half and the difference added to the Revenue Tax, still leaving the receipts of the Schools as large as before.

I would also call attention to the fact, that our eight per cent State Bonds for the \$250,000 Loan becomes due in July, 1867, and that no provision by the creation of a sinking fund or otherwise, has been made to meet the same.

KENTUCKY.

The revenue and expenditures of the State of Kentucky for the year were as follows :

Receipts 1863.....	\$1,667,283 15
Expenditures 1863.....	1,523,849 48
In Treasury Oct. 1863.....	\$278,477 90

The debt of the State is as follows :

Stock overdue.....	6 per cent	\$402
“ outstanding.....	5 “	466,000
“ “	6 “	2,837,000
“ military loan.....	6 “	1,130,000
“ thirty years.....	5 “	1,326,770
“ Board of Education...	— —	55,762

Total..... \$5,815,234

Due individuals.....	\$3,303,402
“ Board of Education.....	1,381,832
“ Board of Kentucky.....	1,130,000

5,815,234

The valuation of property in the State, for 1863, was as follows:

Land, town lots, negroes, cattle.....	\$369,575,543
Carriages, clocks, watches, pianos.....	3,392,506

Total 1863..... \$372,968,049

“ 1862..... 354,917,150

Increase 1863..... \$18,050,899 00

Taxes for 1863..... 1,181,683 42

“ 1862..... 1,107,250 99

Increase..... \$74,432 43

MARYLAND.

The receipts and expenses of the State of Maryland, for the year 1863, were follows:

On hand Sept. 30, 1862.....	\$446,749 19
Receipts for year Sept. 30, 1863.....	1,870,105 72
	<u>\$2,316,854 91</u>

	Expenses.
State debt.....	\$106,290 29
“ “ interest.....	743,563 44
“ defence.....	178,955 38
“ expense.....	257,518 33
	<u>1,286,327 44</u>

On hand Sept 30..... \$1,030,527 47

The State debt is as follows:

Tobacco Warehouse.....	6 per cent	\$113,689 67
Penitentiary.....	5 “	39,259 51
Baltimore & Ohio Railroad..	5 “	3,454,624 22
“ Washington Rl'd	5 “	489,329 12
Chesapeake Canal.....	5 “	7,161,449 56
Susquehanna Railroad.....	6 “	2,157,408 07
Elkridge “	6 “	220,000 00
Tide Water Canal.....	5 “	1,017,622 00
Eastern Shore “	5 “	152,764 14

Total \$14,807,646 20

Paid by B. & O. Railroad.....	\$3,273,672 22	
Owned by sinking fund.....	5,649,656 82	
		<hr/> 8,923,329 05
Actual debt.....		\$5,884,317 24
Productive bonds owned by State.....		\$9,289,410 30
Unproductive " " ".....		16,945,416 04
		<hr/>
Total owned by State.....		\$26,234,826 34

The assessed value of the State is as follows :

Assessed value of real and personal property of State of Maryland, with amount of levy thereon, in each County, and Baltimore City, for 1863 :

The Counties, and Baltimore City.	Assessed Value of Property. in 1863.	Amount of Levy for 1863.
Alegany County.....	\$8,736,072 00	\$21,840 18
Anne Arundel County.....	7,395,550 00	18,488 88
Baltimore City.....	128,596,819 00	321,492 05
Baltimore County.....	21,393,059 00	53,482 64
Calvert County.....	2,530,366 00	6,325 91
Carrol County.....	9,516,672 00	23,791 68
Caroline County.....	2,121,615 00	5,304 05
Charles County.....	4,463,404 00	11,158 51
Cecil County.....	7,861,761 00	19,654 40
Dorchester County.....	4,991,405 00	12,478 51
Frederick County.....	21,929,182 00	54,822 95
Harford County.....	6,884,239 00	17,210 60
Howard County.....	4,344,634 00	10,861 59
Kent County.....	5,241,297 00	13,103 24
Montgomery County.....	5,677,063 00	14,192 66
Prince George's County.....	9,197,575 00	22,993 95
Queen Anne's County.....	5,608,989 00	14,022 47
Somerset County.....	5,076,300 00	12,690 75
St. Mary's County.....	3,611,484 00	9,028 71
Talbot County.....	5,378,416 00	13,446 04
Washington County.....	14,312,682 00	35,781 70
Worcester County.....	4,914,086 00	12,285 22
	<hr/>	<hr/>
Total.....	\$289,782,670 00	\$724,456 67

OHIO.

The receipts and expenses of the State of Ohio for the year 1863 were as follows :

Receipts.....	\$6,024,422 20
Expenses.....	5,075,975 20
	<hr/>
Balance in Treasury.....	\$948,447 00

The debt of the State of Ohio is as follows :

At the close of the fiscal year, ending with November 15, 1862, the funded debt of the State amounted to \$14,141,562 61

During the year there has been redeemed—

Of the Foreign debt—Loan of 1860....	\$346,626 03
“ “ “ “ 1856....	1,166 33
“ Domestic “ “ 1863....	29,500 00
“ Union loan of 1866.....	297,704 32
“ “ “ 1868.....	1,756 00

Amount redeemed during the year, ending November 15, 1863.....	676,752 68
--	------------

Leaving outstanding of foreign and domestic debt....	\$13,464,809 93
--	-----------------

The outstanding funded debt consists of the following loans :

Loan of 1860, 6 per cent.....	\$1,262,279 04
“ 1865, 5 “	1,015,000 00
“ 1868, 6 “	379,866 00
“ 1870, 6 “	2,183,531 93
“ 1875, 6 “	1,600,000 00
“ 1881, 6 “	4,095,309 47
“ 1886, 6 “	2,400,000 00

Total Foreign debt.....	\$12,935,986 44
-------------------------	-----------------

The valuations of property on the Duplicate of 1862, upon which the taxes collected during the fiscal year 1863, were levied, were as follows:

Real estate, not in cities and villages.....	\$494,101,182
“ “ in cities and villages.....	151,568,898
Chattel property.....	243,615,212

Total valuation for 1862.....	\$889,285,292
-------------------------------	---------------

The taxes levied upon this valuation were as follows :

FOR STATE PURPOSES.

General revenue.....	\$887,661 13
Sinking fund.....	1,242,727 11
War debt fund.....	310,685 31
State Common School fund.....	1,155,220 99
Volunteer Relief fund.....	533,178 80

Total State taxes.....	\$4,129,473 34
------------------------	----------------

TAXES LEVIED BY COUNTY, CITY AND OTHER LOCAL AUTHORITIES.

County tax.....	\$1,159,949 34
Bridge “	227,781 54
Poor “	214,466 11
Building “	157,468 90
Road “	211,864 66
For railroad debts of counties, &c. ..	812,204 52
Township tax.....	226,453 84
School and school house tax.....	1,021,011 52

Other special taxes.....	279,743 04
City, town and borough taxes.....	1,322,092 52

Total local taxes levied in 1862..... \$5,633,035 99

Total taxes levied..... \$9,762,509 33

Add delinquencies and forfeitures..... 312,776 30

Total taxes, delinquencies, &c., on duplicate of
1862..... \$10,135,285 63

The following shows the valuation and taxation of Ohio for five periods:

GRAND DUPLICATE OF THE STATE OF OHIO, FOR FIVE YEARS, BEGINNING WITH 1858 AND
ENDING WITH 1863.

No. of Acres...	1858. 25,298,968	1860. 25,311,705	1861. 25,321,275	1862. 25,329,580	1863. 25,360,407
Valuation.					
Lands.....	\$437,183,132	\$492,593,587	\$494,064,639	\$494,101,182	\$495,399,666
T'wn & City lots	153,102,815	147,300,724	149,818,913	151,563,898	154,100,356
Chattels.....	250,514,084	248,408,290	248,966,532	243,615,212	286,873,222
Total tax. val.	840,800,031	888,302,601	892,850,084	889,285,292	936,371,244
State Taxes.					
Sinking fund...	1,047,902.00	1,551,575.11	1,247,699.94	1,342,727.11	1,308,614.86
Gen. Rev. fund.	587,206.89	700,326.04	1,247,699.93	887,661.13	934,726.57
S. C'n School fd.	1,259,092.50	1,242,811.78	1,249,054.43	1,555,220.99	1,216,410.78
Dis. Sch'l lib. fd.	83,920.76	.....	.....	.....	.....
Military fund...	.....	.....	311,924.98	310,685.31	327,152.92
Vol. Relief fund	.....	.....	.....	533,178.80	935,703.28
Total St. taxes	2,978,122.15	3,503,712.93	4,056,379.28	4,129,473.84	4,722,607.91
County Taxes.					
County exp'ns's.	1,130,939.20	1,309,137.46	1,326,140.43	1,159,949.34	1,111,957.11
Bridge purp'ses	351,983.66	437,538.40	324,490.49	214,466.11	339,224.64
Poor purposes.	222,471.94	260,607.20	342,225.10	227,781.54	264,159.30
Building " .	320,954.57	228,444.13	261,087.30	157,468.90	83,065.79
Road " .	350,435.08	394,424.77	430,253.85	211,864.66	225,148.98
Railroad " & d't	462,430.35	538,869.50	538,175.85	812,204.52	648,386.99
Total Co. tax's	2,849,219.80	3,169,021.46	3,222,373.02	2,783,735.07	2,671,942.81
Township & City taxes.					
Township exp's	284,051.32	349,360.86	323,286.53	226,453.84	290,234.47
School & S. h's's	1,438,810.88	1,487,247.44	1,373,862.68	1,021,011.52	1,226,046.85
Special purp's's	216,425.06	349,236.33	535,028.45	279,743.04	1,202,266.60
C'y, T'n, & Bo' "	1,417,391.07	1,506,083.86	1,560,197.83	1,322,092.52	1,455,736.16
Tl T'n & C'y s.t.	3,356,678.33	3,691,928.49	3,792,375.59	2,849,300.92	4,174,284.08
Grand total Co. & local taxes.	6,205,888.13	6,860,949.95	7,014,748.61	5,633,035.99	6,846,226.89
Delinq'encies & forfeitures...	572,630.02	453,013.46	535,686.03	372,776.30	290,738.38
Total taxes for all purposes..	9,756,650.30	10,817,976.34	11,656,813.92	10,135,285.63	11,859,573.68

CANADA COMMERCE AND FINANCES.*

The past year has proved a very satisfactory one to Canada—not only has her revenue increased and her expenditures diminished, but there has been a large increase in exports and a decrease in imports.

COMMERCE OF CANADA.

The whole importations for 1863 amount in value to \$45,964,493 and the exports amount to \$61,831,532. The following is a statement in detail of the commerce of Canada for 1863, and the totals for 1862 :

Name of the Countries.	Value of Exports.	Value of Imports.
Great Britain.....	\$17,463,718	\$20,177,572
North American Colonies.....	985,196	510,718
British West Indies.....	57,542	182,195
United States of America.....	22,534,074	23,109,362
Other Foreign Countries.....	841,002	2,084,651
Total for 1863.....	\$41,881,532	\$45,964,493
“ “ 1862.....	33,596,125	48,600,633

From the above we see that the balance against Canada in 1862 was about \$15,000,000, while in 1863 it was only about \$4,000,000. By classifying the exports as follows for the past three years it will be noted that the large increase in 1863 is in great part referable to the exports of the products of the forest—timber and lumber. The last year the articles exported under this head exceeded in value thirteen and one-half millions of dollars. Of this amount \$4,397,103 came to the United States.

EXPORTS FROM CANADA—CLASSIFIED.

	1861.	1862.	1863.
Produce of the Mines.....	\$463,118	\$702,906	\$871,549
do do Fisheries.....	663,700	703,896	789,913
do do Forest.....	9,572,645	9,482,897	13,548,926
Animals and their Products.....	3,681,468	3,923,590	5,502,633
Agricultural Products.....	18,236,476	15,941,002	13,472,134
Manufactures.....	289,130	415,327	868,752
Coin and Bullion....	244,513	178,997	1,685,403
Other Articles.....	154,718	242,002	325,649
Total.....	\$33,805,768	\$30,690,617	\$37,059,989
Value of Ships built at Quebec.....	1,411,480	988,428	2,287,901
Estimated Amount of Exports, short returned at Inland Ports.....	1,896,947	1,913,080	2,483,642
Total value of Exports.....	\$36,614,195	\$33,596,125	\$41,831,532

The following is a comparative statement of the quantity and value of the goods enumerated in the Reciprocity Treaty, the growth and produce of the United States, and imported into Canada during the years 1862 and 1863 :

* We are indebted to Deputy Inspector-General WILLIAM DICKINSON, for copies of the *Trade and Navigation Report*, and report of the public accounts of Canada for 1863, from which this article has been compiled.—ED. HUNT'S MERCHANTS' MAGAZINE.

IMPORTS FROM THE UNITED STATES OF ARTICLES NAMED IN THE RECIPROCITY TREATY.

Articles.	Quantity.	1862.		1863.	
		Value.	Quantity.	Value.	
Animals.....No.	23,110	\$347,936	35,300	\$520,835	
Ashes.....		24,477		17,549	
Bark.....Cords.	1,010	4,113	1,650	6,670	
Broom Corn.....		32,299		34,987	
Burr and Grindstones.....		15,088		13,795	
Butter.....Lbs.	815,500	104,082	644,547	97,171	
Cheese.....do	1,937,010	174,456	2,907,680	294,327	
Coal.....Tons.	105,905	437,391	103,547	548,846	
Cotton Wool.....		56,460		29,928	
Dye Stuffs.....		60,976		69,176	
Eggs.....Doz.	13,920	1,259	39,938	4,654	
Fish.....		158,415		168,570	
Fish Oil.....Gals.	226,450	109,630	125,345	112,285	
Fish—products of.....				168	
Firewood.....Cords.	24,098	47,232	19,384	32,599	
Fruit—dried.....		61,113		71,945	
Do —undried.....		370,511		379,170	
Flax, Hemp and Tow—manufact'd.....		106,666		75,464	
Flour.....Bbls.	239,130	1,088,679	225,439	898,029	
Furs, Skins and Tails—undressed.....		119,896		61,896	
Grain of all Skins.....Bus.	10,998,720	7,876,919	6,122,692	5,062,610	
Gypsum.....		15,333		13,829	
Hides, Horns and Pelts.....		350,000		384,951	
Lard.....Lbs.	582,200	53,381	922,676	81,757	
Manures.....		12,516		12,505	
Meal.....Bbls.	21,085	44,563	10,000	28,608	
Meat of all kinds.....Cwt.	137,270	1,040,269	182,850	1,238,923	
Ore of Metals.....		9,618		7,848	
Pitch and Tar.....Bbla.	3,206	13,925	2,863	11,158	
Plants and Shrubs.....		93,665		93,539	
Poultry.....		3,852		4,654	
Rags.....		8,991		11,333	
Rice.....Lbs.	98,560	2,746	2,044	88	
Seeds.....		80,643		87,545	
Slate.....		1,819		1,914	
Stone and Marble—unwrought.....		43,267		57,076	
Tallow.....Lbs.	1,445,000	129,516	1,668,831	152,268	
Timber and Lumber.....		91,772		62,241	
Tobacco—unmanufactured.....Lbs.	6,369,840	842,364	8,769,224	1,327,810	
Turpentine.....				64	
Vegetables.....		61,218		47,729	
Wool.....		333,570		208,858	
Totals.....		\$14,430,611		\$12,339,367	

FINANCIAL.

We stated above that the Canadian financial statement for 1863, presented a more favorable balance than has been the case for several years past. It will be seen from the detailed statement which we give below that the five great sources of revenue, the Customs, Excise, Public Works, Post Office and Territorial Revenue have together produced \$7,662,490 98, which exceed the receipts from the same sources in 1862 by \$1,104,961 00; the minor revenues of the Consolidated Fund have realized \$914,821 02, being an increase upon 1862 of \$119,335 10; and the receipts of the Trust Funds and other open accounts have been \$1,183,004 34, which is an increase of \$127,575 76. Whilst the revenue has thus increased in the aggregate \$1,351,871 86, there has been a diminution of

expenditure to the extent of \$228,873 47, making a total of \$1,590,745 33; but in spite of this great improvement upon 1862, there is still a serious deficiency although very much less than was estimated.

Expenditure less Redemption of Debt.....	\$10,742,807 41
Receipts less sale of Debentures and Sinking Fund.....	9,760,316 84
Deficiency.....	\$982,491 07

The following is a detailed statement of the entire payments and receipts during the last three years.

PUBLIC ACCOUNTS OF THE PROVINCE OF CANADA.

	RECEIPTS.		
	1861.	1862.	1863.
<i>Ordinary Revenues.</i>			
Customs	\$4,774,562 26	\$4,652,183 06	\$5,171,080 32
Excise	344,665 14	500,813 52	829,801 77
Post Office	357,015 40	391,443 07	438,864 16
Ocean Postage.....	100,709 45	17,274 14	0 00
Public Works.....	324,619 63	383,704 21	539,948 99
Provincial Steamers	30,578 35	37,756 98	35,874 07
Territorial.....	678,922 82	629,886 12	682,795 74
Casual	22,124 39	11,201 09	11,813 60
Quebec Loan	685 26	6 92	294 65
Interest on Investments.....	489,304 91	394,745 94	362,769 70
Premium and Discount.....	18,982 67	3,373 31	157,754 04
Bank Imposts.....	52,374 95	26,421 90	15,417 68
Law Fees	82,514 84	30,267 28	29,524 00
Fines and Forfeitures.....	24,283 39	22,340 67	14,359 34
<i>Special Revenues.</i>			
Law Fees, Lower Canada.....	82,480 11	70,276 68	91,731 77
Do Upper Canada.....	40,826 77	44,198 84	50,535 43
River Police	12,890 25	10,645 72	14,099 54
Mariners' Fund	14,255 18	11,778 56	14,373 24
Passenger Duty, (Emigration and Quarantine).....	19,112 00	21,341 00	18,039 00
Railroad and Steamboat Inspection	23,372 33	10,265 97	10,450 95
Fisheries	7,371 85	8,824 61	7,170 85
Shipping Office Fees.....	860 00	826 00	653 00
Oullers' Office Fees.....	67,304 25	73,940 31	79,960 21
<i>Debentures, &c.</i>			
Debentures and Stock.....	2,756,305 59	2,220,759 99	1,702,191 66
Imperial Sinking Fund .....	.....	.....	2,920,000 00
Sale of Public Work.....	7,696 99	1,362 10	3,228 33
<i>Guaranteed and Advance Accounts.</i>			
Municipal Loan Fund, U. C.....	186,309 00	123,849 20	184,362 62
do do L. C.....	93,078 47	6,224 37	170,392 44
Quebec Fire Loan.....	4,814 55	3,489 29	6,424 05
Law Society.....	19,936 47	16,312 34	13,341 11
Court House, L. C.....	24,224 47	25,163 19	25,392 81
Upper Canada Building Fund.....	29,169 30	27,738 00	29,943 28
Great Western Railway, Interest Account.....	24,160 00	24,150 00	25,052 48
Northern Railway, Interest Account	475 00	.....	14,125 00
Grand Trunk Railway, Postal Subsidy Account.....	.....	.....	39,966 48
Grand Trunk Railway, Advance Account.....	1,000 00	.....	0 00
Grand Trunk Railway, Special Account .....	.....	2,567 62	0 00

New Coinage.....	4,803 27		0 00
Ocean Steam Company.....	189,619 98	1,225 00	0 00
Improvement Fund, Advance Account.....		8,486 80	0 00
Montreal Harbor Commission.....			22,200 00
Investment ex Consolidated Canadian Loan.....	867,749 38	60,000 00	21,368 41
Consolidated Fund, Investment Account.....	8,906 00	124,898 63	7,781 68
<i>Trust Funds.</i>			
Tavern Licenses.....	8,400 99	8,886 60	8,962 15
Lower Canada Building and Jury Fund.....		2,892 53	29,710 68
Municipalities' Fund, West.....	298,049 24	177,021 41	132,695 48
Do do East.....	26,976 07	24,916 79	38,752 33
Education, West.....	22,110 74	14,668 20	7,887 73
Do East.....	27,750 13	18,167 10	35,953 07
Common School Fund.....	111,594 25	207,293 53	128,240 25
Indian Fund.....	256,629 02	165,789 57	223,409 94
Copy Right Duties.....	999 67	826 30	672 52
Indemnity to Revenue Inspectors.....	141 55		341 45
Trust Fund Investment Account..	24,400 00	16,400 01	16,800 00
Bursar of University.....	1,109 13		0 00
Quebec Bishopric.....	41,878 68		0 00
Provident Savings Bank.....	102,533 34		0 00
Total.....	\$12,655,581 48	\$10,629,204 47	\$14,382,508 00

PAYMENTS.

	1861.	1862.	1863.
Interest on Public Debt.....	\$3,735,789 05	\$3,774,314 65	\$3,717,733 85
Charges of Management.....	67,298 91	52,076 65	42,633 36
Exchange.....	26,666 70	20,754 12	19,611 14
Sinking Fund.....	119,391 79	166,975 33	182,743 32
Redemption of Public Debt.....	2,738,872 21	279,830 66	4,166,375 10
Premium and Discount.....	13,441 35	7,098 03	32,530 66
Civil Government.....	437,285 49	486,620 04	430,527 47
Administration de Justice, East..	350,557 54	346,375 78	364,785 72
Do do West..	320,176 55	318,312 23	330,530 32
Police.....	30,548 20	31,179 36	30,831 84
Penitentiary, Reformatories and Prison Inspection.....	148,046 55	155,612 03	152,190 60
Legislation.....	463,124 57	432,048 19	627,377 92
Education, East.....	259,601 91	260,298 75	254,317 86
Do West.....	247,192 11	273,271 06	274,112 68
Literary and Scientific Societies ..	17,900 00	16,800 00	14,200 00
Hospitals and Charities.....	272,041 55	307,686 71	250,942 25
Geological Survey.....	20,315 09	17,400 00	23,650 00
Militia and Enrolled Force.....	84,687 60	98,444 70	481,116 17
Arts, Agriculture and Statistics...	2,317 00	17,472 01	11,421 82
Census.....	118,393 77	24,648 46	12,629 24
Agricultural Societies.....	102,620 21	103,348 58	105,696 11
Emigration and Quarantine.....	48,435 57	54,323 56	57,406 32
Pensions.....	34,509 38	42,473 03	40,460 49
Indian Annuities.....	35,420 00	26,620 00	43,820 00
Public Works and Buildings.....	1,086,240 45	421,053 03	474,712 40
Rents, Repairs, etc., do.....	39,572 05	97,041 71	39,247 07
Roads and Bridges.....	181,668 81	259,582 99	119,627 72
Ocean and River Steam Service...	432,022 73	507,944 48	511,256 40
Light House and Coast Service...	110,462 08	103,522 14	102,724 75
Fisheries.....	27,342 00	25,215 76	22,758 47
Redemption of Seigniorial Rights.	224,133 46	379,849 22	222,608 18
Culling Timber.....	68,399 06	68,576 03	76,827 00

Railway and Steamboat Inspection	15,118 17	15,020 40	10,577 55
Advances	411,668 43	223,462 02	89,518 78
Municipalities' Fund, East and West	445,314 27	313,384 58	142,333 80
Indian Fund.....	92,726 07	112,819 35	131,989 55
Subsidiary Lines.....	340,000 00	80,590 00	.....
Reception of His R. H. the Prince of Wales.....	63,225 29	.....	.....
Miscellaneous.....	45,849 91	64,099 20	68,469 36
Collection of Revenue:			
Customs	363,401 44	379,402 81	364,947 83
Excise.....	31,779 87	35,178 74	36,613 53
Post Office	442,521 19	486,586 51	431,906 71
Public Works.....	279,006 92	313,823 47	236,761 91
Territorial.....	277,503 93	135,797 75	79,767 67
Fines and Forfeitures.....	14,380 59	11,716 99	7,627 82
Minor Revenues.....	1,092 00	754 14	418 03
Special Funds.....	97,777 46	91,523 31	70,694 05
Total Payments.....	\$14,742,834 23	\$11,395,923 56	\$14,909,182 51

DEBT OF CANADA.

The total debt of Canada is \$65,238,649 15, and the total annual interest is \$3,483,920 38. The rates of interest are as follows:

Rates of Interest.		
Bearing 4 per cent.....	.....	\$4,380,000 00
do 4½ per cent.....	.....	14,600 00
do 5 per cent.....	.....	34,315,215 71
do 6 per cent.....	.....	26,500,208 47
do 8 per cent.....	.....	28,629 97
Total debt.....	.....	\$65,238,649 15

The following is a detailed statement of the debt when payable, &c.:

Years of Maturity.	Currency debentures in Canada.	All currency debentures in England.	Grand Totals.
Past due.....	\$27,750 00	.....	27,750 00
1864.....	9,000 00	\$1,460,000 00	1,469,000 00
1865.....	48,010 00	2,100,940 00	2,148,950 00
1866.....	1,627,704 50	1,153,400 00	2,781,104 50
1867.....	1,840 00	4,866 67	6,706 67
1869.....	.....	2,433 33	2,433 33
1870.....	42,400 00	.....	42,400 00
1871.....	349,635 21	.....	349,635 21
1872.....	610,948 43	135,293 33	746,241 76
1873.....	224,422 00	.....	224,722 00
1874.....	133,500 00	1,725,233 33	1,858,733 33
1875.....	63,870 00	.....	63,870 00
1876.....	221,266 66	1,348,066 67	1,569,333 33
1877.....	48,313 33	545,553 33	593,866 66
1878.....	10,820 00	1,252,193 33	1,263,013 33
1879.....	.....	7,612,926 67	7,612,926 67
1880.....	.....	6,116,426 67	6,116,426 67
1881.....	91,736 67	1,331,033 33	1,422,770 00
1882.....	.....	2,665,473 33	2,665,473 33
1883.....	133,025 00	1,139,773 33	1,272,798 33
1884.....	.....	1,362,180 00	1,362,180 00
1885.....	.....	31,530,444 06	31,530,444 06
No fixed date.....	107,869 97	.....	107,869 97
	\$3,752,411 77	\$61,486,287 38	\$65,238,649 15

LETTERS OF E. G. SPAULDING TO MORRIS KETCHUM.

BUFFALO, March 19, 1864.

MORRIS KETCHUM, Esq., Banker, New York:

DEAR SIR:—When I met you in New York, in December last, you expressed the apprehension that the rate of interest on government securities would be reduced to five per cent, that there would be a further inflation of the currency, and consequently that gold would advance, and the price of labor and commodities would be greatly increased. The apprehensions which you then expressed are now being realized, and the government and people are alike feeling its effects. By reducing the rate of interest from six to five per cent, one per cent interest is apparently saved to the government on its notes and bonds, but all the flour, beef, pork, and other supplies for the army and navy have advanced ten to fifteen per cent, thereby making it necessary for the government to pay ten to fifteen per cent more for all supplies purchased, while it saves only one per cent on its notes and bonds.

Five per cent bonds, running from five to twenty years, can, no doubt, be floated on the market nominally at par, if the currency is sufficiently diluted and the volume increased large enough for the purpose; and so may four per cent bonds be carried on the surface, if the currency is paid out in such a large volume as to still further dilute the government paper already afloat. But if this should be successfully carried out, and four per cent bonds be negotiated at par in consequence of a further expansion of the currency, gold would advance to 90 or 100 per cent, and all commodities for the army and navy would advance in the same proportion. What would be saved in the rate of interest would be lost four-fold on the enhanced price of all supplies purchased to carry on the war.

Five per cent interest, payable in currency, which has been the rate since the twenty-first of January last, for redeeming legal-tender notes, is a most exhilarating atmosphere to be reveled in by speculators and jobbers, but very unsatisfactory to men of steady purposes, who are engaged in manufactures, commerce, and other legitimate pursuits. With such a money market all articles consumed by laborers advance in price, rents increase, skilled laborers and common laborers combine and strike for higher wages, in order to be able to pay for the enhanced prices of living, caused by the excess of paper issues.

In order to illustrate what I have to say further on this subject, you will, I trust, allow me to make a brief review of the laws of Congress bearing upon the increased price of labor and commodities, and the advance in the price of gold. Gold and silver, as you well know, are the standard of value in conducting the commerce of the civilized nations of the world. The commerce of the United States is still carried on with all the foreign nations with gold as the standard or measure of value.

The laws of Congress, passed in 1792, fixed the gold standard in the United States, for the ten dollar eagle, at 247 grains and four eighths of a grain of pure gold, and half the quantity for the half eagle. The law

of Congress, passed in 1837, changed the gold standard established in 1792, by providing that the standard of both gold and silver should be such, that of one thousand parts by weight, nine hundred parts should be pure metal, and one hundred of alloy; that the alloy of silver should be of copper, and the alloy of gold coins should be of copper and silver. That the weight of the gold eagle should be two hundred and fifty-eight grains, that of the half eagle one hundred and twenty-nine grains, and that the eagle should be a legal tender for ten dollars, and the half eagle for five dollars. This was the *standard of value* up to the time when the legal-tender bill was passed.

The original legal-tender note bill introduced by me as a necessary war measure, and which was approved by the President February 25th, 1862, changed the standard of value, not with the world at large, but within the United States, by authorizing the Secretary of the Treasury to issue \$150,000,000 of United States notes to circulate as currency, making them lawful money, and a legal-tender for all debts public and private, and providing for their redemption at all times at the Treasury Department in five-twenty six per cent bonds—interest payable semi-annually in coin; and further authorizing the issue of \$500,000,000 of these bonds for that purpose. This was not the issue of an irredeemable currency. There was a fixed standard and measure of value for the redemption of all these legal-tender notes, as they should be issued and re-issued from time. That standard was five twenty-six per cent bonds—principal and interest payable in gold. Every person who should receive these notes voluntary, or by compulsion, knew exactly what he could do with them. He knew that the laws of Congress provided that he should have gold-bearing bonds for all the notes taken by him. The redemption in this case was not gold *on demand*, as formerly, but six per cent *interest* in gold every six months, and the principal payable in gold within twenty years. This was the standard of value fixed by the legal-tender note bill. It was in effect a *forced loan* from the people to the government, but at a fair rate of interest for both the lender and the borrower.

This was a radical change in the standard, or measure, of value within the United States, but it was a *fixed standard established by law*, and every business man could act upon it, and shape all his contracts and business transactions accordingly.

The act of July 11, 1862, authorized a further issue of \$150,000,000 of legal-tender notes, and required their redemption by the government at all times, on demand, in the five-twenty six per cent bonds, still leaving the standard of value of legal-tender notes, by providing for their conversion at any time into six per cent U. S. bonds, principal and interest payable in gold. Although this was, in effect, a forced loan from the people, it was so fair and equitable in its terms, the peril of the country so great, and the object to be attained in crushing the rebellion so important, that no loyal citizen could object to it. There was no very great danger that the currency would become excessively inflated, so long as every person holding greenbacks not bearing interest could exchange them at his own will into gold-bearing bonds at six per cent interest per annum. The government was carried on smoothly, and the war prosecuted vigorously, under this system, up to January 21, 1864, when the five-twenty six per cent bonds, authorized by the act of the 25th of February, 1862, were exhausted. In the mean time the standard of value

for the redemption of greenbacks has been changed, *which is the cause of the present advance in the price of gold, and other commodities and services, as I will now proceed to show :*

The act of the 3d of March, 1863, to furnish ways and means for the support of the government, commonly called the \$900,000,000 loan bill, so modified the legal tender note bill as to leave it in the discretion of the Secretary of the Treasury to fix the time and manner of issuing the bonds or notes, and the rate of interest they should bear under the act. It gives him the power to issue them at six per cent, five per cent, or even at a lower rate of interest, if he deems it advisable; but under the modifications of the act *there is no longer any standard of value fixed by law.* It rests with the Secretary to say, from time to time, what the rates of interest shall be. He also has the power to issue and re-issue legal-tender notes on demand and on time, in sufficient volume to float five per cent, and even four per cent bonds and notes, if he shall deem it advisable to do so. No man can regulate his contracts or business affairs with any certainty. No person when he takes a legal-tender greenback currency, can fix in his own mind what is its real value. It is no longer convertible, at the will of the holder, into United States six per cent bonds, nor is there any provision in the law which compels the government to redeem them in any kind of bonds, or in any other way, except for dues to the government. It has, however, been the practice of the Treasury Department, during the last two months, to redeem legal-tender greenbacks not bearing interest, by exchanging for them one and two years' treasury notes bearing five per cent interest, both principal and interest payable in currency.

I did not, at the last session of Congress, think it wise to change the standard of value fixed in the legal-tender note bill. I thought it better to issue and pay out to the army and navy, and other creditors of the government, an amount of greenbacks sufficient to float, easily, the five-twenty six per cent bonds. I believed seven and three-ten per cent interest too high a rate, but I deemed it fair and just that on forced loans of this kind, the government should pay six per cent, and that the war should be prosecuted until the rebellion should be crushed on the basis of six per cent interest on all the funded debt, to accomplish that result. I thought it better for the government and the people that there should be that stability attached to business transactions which can only be fully realized by a public law establishing the measure of value. In the remarks which I made in the House on the 12th of January, 1863, I said that "Congress, by its legislation at the last session, has, to a considerable extent changed the standard of value for all business operations within the United States. The standard of value fixed by Congress is legal-tender Treasury notes *convertible at any time* into United States specie paying bonds, bearing interest at the rate of six per cent per annum, payable half yearly in coin, based upon adequate taxation upon the entire property of the country. Legal-tender notes constitute the national currency now established by law. *All exchanges of property, all contracts, and all loans, are based upon the value of legal-tender notes, and United States six per cent bonds.*"

At a later period in the session the \$900,000,000 act was passed. I was not in favor of the change made by that act in the standard of value; or, rather, I was not in favor of the discretionary power given to the Secretary of the Treasury to change it, as provided in the act, not be-

cause I had not full confidence in the Secretary, but because I thought it better that so important a matter—relating as it does to the stability of the whole business operations of the country—should be fixed in the law itself, so that all men could shape their business accordingly. This would have relieved the Secretary from a vast responsibility, and the inflations, fluctuations and changes now so apparent, would have been less likely to have happened. I reluctantly assented to the change. It was against my better judgment, and I am now satisfied that it was a mistake.

The daily conversions during the past year of legal-tender notes into the 5-20 six per cent bonds, at the rate of from one to two millions a day, furnishing the means for paying the daily expenditures of the government went on so smoothly, so steadily and so satisfactorily to all parties, without causing any great inflation of the currency, or increase in the price of labor or commodities, that I was in hopes it would be continued the same way under the \$900,000,000 loan bill. This would have kept things steady; kept down the price of gold, and would probably have prevented any necessity for paying out the *reserve* \$50,000,000 of greenbacks which have been issued since the meeting of Congress, and over \$150,000,000 five per cent one and two year legal-tender notes, also issued and circulated to a considerable extent as currency. But it is not my wish or desire to say a word that will in any way retard or embarrass the operations of the government in a vigorous prosecution of the war to put down this gigantic and wicked rebellion, and effectually remove the cause that brought on such a bloody war. The last man and the last dollar are pledged for this purpose; and, *if necessary* to inflate the currency to such an extent that five forty-five per cent bonds may be floated at par, I am ready to yield my assent to such a measure, and will lend my feeble efforts to sustain the administration in carrying it out. The rebellion must be crushed at all hazards and at every sacrifice.

The principal object I have in writing to you at this time is to solicit the co-operation of your friends in New York in submitting to Congress the propriety of *establishing by law* the standard value of legal-tender notes by fixing the rate of interest at which they may at any time be converted into the funded debt of the United States, principal and interest payable in gold. If it is to be five per cent bonds, gold and prices will be considerably higher than they will be if such notes are convertible into six per cent bonds. I think it will be cheaper in the end, and specie payments can be resumed at an earlier day, for the Government to continue the conversion of legal-tender notes into six per cent bonds, because gold will be lower and prices less; but whatever the rate of interest is to be, I trust it will be fixed in the law itself, so that all business men will be able to shape their contracts and business in accordance with the public law establishing such standard of value.

I intended to say a few words on one or two other points, but this letter is already too long, and I must defer to some other more convenient time what more I may desire to say on the national finances. Please write me your views on this subject.—I remain yours truly,

E. G. SPAULDING.

MORRIS KETCHUM, Esq., Banker, New York:

DEAR SIR:—Referring to my letter to you of the 19th of March last,

I desire to make some additional remarks on the National Finances. It is a subject upon which I feel a deep interest, for you well know that if we fail here there is danger that we may not succeed in accomplishing what is the most ardent wish of all patriotic citizens—that of crushing the rebellion, and a restoration of the national unity. The national debt will increase at a fearful rate, under any policy that can be devised, and prudent, patriotic citizens are looking anxiously at the result of measures that are adopted. Desiring, as I do, the crushing of the rebellion in the shortest time, and with the least possible expenditure of blood and treasure, I venture to make a few suggestions further on the future policy of executing the \$900,000,000 loan act.

It seems to me that the policy of the Treasury Department for the last three months has been that of *inflation, and over issues of a paper circulating medium*. It has, by such a policy, unintentionally stimulated and encouraged speculations in gold, stocks and other things, rather than to encourage industry, the production of commodities, and other legitimate business. Under this policy, gold has advanced twenty per cent, and the price of labor and commodities continues to increase to such an extent as to render it very embarrassing for business men to carry on their ordinary pursuits. I know very well that these evils cannot be fully guarded against during the prosecution of such a gigantic war, and the large amount of paper necessarily issued by the government; but it is the duty of the government that these evils should be mitigated and rendered as light as possible.

The Department has partially executed the \$900,000,000 loan act; the first section of which authorized the Secretary to borrow the *whole amount* of nine hundred millions of dollars on the ten-forty bonds, bearing six per cent, (or, in his discretion, five or four per cent,) interest payable semi-annually in coin; or, by other sections of the bill, he had the discretionary power to print and pay out to creditors of the government an additional amount of \$150,000,000 of greenbacks, and \$400,000,000 legal-tender Treasury notes, which, in the form issued by him, circulate to a considerable extent as currency; and a further contingent authority to issue a still further sum of \$150,000,000 of greenbacks; but the whole aggregate of all kinds of bonds and notes to be issued under the bill was not to exceed \$900,000,000.

In administering and carrying into effect the provisions of this act, it is plain that, by borrowing on the issue of ten-forty six per cent bonds under the first section of the act, the tendency would be to repress and keep down inflation, prevent speculation in stocks, gold and other commodities, and, at the same time, by holding a steady money market, encourage all kinds of productive industry and other legitimate pursuits.

On the other hand, by resorting to the other sections of the bill and issuing greenbacks and legal-tender Treasury notes in large volume, the currency is still further expanded and cheapened to such an extent that all legitimate business is greatly embarrassed by the increase in the price of labor, the cost of living, transportation, and the cost of the raw materials used in building, manufacturing, and other industrial operations.

In the partial execution of this law, the Treasury Department has printed and paid out \$150,000,000 greenbacks as currency, and over

\$175,000,000 of one and two years legal-tender Treasury notes, which also circulated to a considerable extent as currency, making \$325,000,000 of *inflating* paper issued under this act, thus far; while the department has only borrowed on a *permanent loan*, under the first section of the bill and the supplementary act, less than \$15,000,000 on *five* instead of six per cent ten forty-bonds. The whole policy thus far under this law has been one of *inflation* on temporary loans, rather than *funding* on long government bonds at a fair rate of interest.

It has been supposed that by this policy of inflation a five per cent ten-forty bond might be floated nominally at par. Funding the present excessive floating debt at five per cent interest is better than not to be funded at all, and I hope that the bonds now offered at five per cent may be taken up rapidly, and that the evils of the present inflation may be removed; but I fear the conversions will not be rapid enough at this rate of interest. The bonds do not seem to be readily taken, as yet, by the people. It required the printing and paying out of \$400,000,000 of greenbacks before the five-twenty six per cent bonds could be floated easily at par, and it will probably require the circulating paper issues of the government, now amounting to about \$625,000,000, to be increased to \$650,000,000, or \$700,000,000 before the people will be induced to take five per cent bonds, in order to get rid of the surplus circulating that may accumulate in their hands, that cannot be more profitably invested in other modes.

I agree with all that has been said by the Press and in Congress in favor of annual taxation to the amount of \$300,000,000. At the extra session of Congress in July, 1861, I advocated immediate taxation to the extent of paying the annual expenses of the government on a peace footing, and the interest on all the war debt, and I have advocated that policy ever since. I hope Congress will not adjourn without providing for raising at least the sum of \$300,000,000 each year by taxation. Assuming that Congress will provide for raising that sum by taxation for the next fiscal year, still the whole expenses of the year will not be less than \$1,000,000,000, which will leave the additional sum of \$700,000,000 to be borrowed in some form to pay the expenses of the army and navy. This brings us to the *practical question*: How is this large sum to be obtained? Shall it be on temporary issues of paper calculated to still further inflate the currency already afloat, thereby adding to the embarrassments already bad enough; or shall it be on a permanent loan, based on the issue of long bonds, principal and interest payable in gold, and at such a fair rate of interest that the bonds will be readily taken, in such large amounts as not only to make any further temporary issues under the \$900,000,000 act unnecessary, but also materially diminish the present excess of paper currency? This would check speculation, and bring down the price of gold and all other commodities to a more safe and stable standard.

It is of great consequence for all business men to know what is to be the *future policy* of the Treasury Department. Whether it will still further *inflate* the currency by temporary expedients, or whether it will *contract* the floating debt by funding in long bonds. Shall it be inflation and high prices, or contraction and low prices? This question is of vital interest, affecting the large purchases of the government in the prosecution of the war, as well as the legitimate business of the people.

If the Treasury Department will print and put at the disposal of the people ten-forty bonds, paying six per bent interest semi-annually in coin, for the balance of the \$900,000,000 loan, it will be so rapidly taken, judging from the manner in which conversions were made into the five-twenty bonds, that all its other printing presses employed in printing temporary circulating paper may be safely stopped, until this loan is exhausted, and with the most beneficial results to the government and the people.—I remain, yours, truly,

E. G. SPAULDING.

COMMERCIAL CHRONICLE AND REVIEW.

EFFORTS OF TREASURER TO REDUCE PRICE OF GOLD—THE FIVE PER CENT LOAN—INCREASE OF EXPENSES OF WAR DURING THE THREE YEARS—PAPER ISSUES OF GOVERNMENT, AND THE EFFECT OF THEM IN REDUCING RATE OF INTEREST—SALES OF THE FIVE-TWENTIES, EFFECT OF—SALES OF GOLD CERTIFICATES AND SALES OF GOLD AND THE EFFECT RATES OF EXCHANGE—PRICES OF GOLD AND U. S. PAPER—GOV. SEYMOUR'S CIRCULAR ABOUT INTEREST ON DEBT.

THE financial world has undergone a severe check the last month, in consequence of the means adopted by the Treasury Department to reduce the price of gold, while it strove to negotiate a five per cent stock on the basis of a currency inflation. The rise in the price of gold is an unavoidable inconvenience, growing out of the inflation of the currency, as a means of borrowing at an apparently low rate of interest. In the conduct of the national finances there were but two modes of proceeding. The first was to place the expenditures of the nation on as economical a scale as possible, then take advantage of the devotion of the people, raise, by taxes, at least half the amount of the expenditures, and the remainder by loans. Each loan, however, should have been accompanied by a special tax, the proceeds of which were pledged exclusively to its redemption, principle and interest. On such a basis the expenditures of the war would have been at low cash prices, not more than one-third the actual amount, and the capital of the whole world would have been at the service of the nation. The other plan was the paper system, which depended on borrowing altogether; producing, through paper money, fictitious prosperity, ignoring taxes, and negotiating loans at nominal rates of interest, to feed an extravagance of expenditure that knows neither limit nor restraint. This was the plan adopted, and it has produced frightful evils.

The issue of paper money by the government gave it present means but soon caused a rise in prices and values which enhanced its expenses in the same ratio, and produced such a demand for means that, now, no taxes can ever overtake the depreciation. The expenditures for three years are as follows :

	Expense.	Increase.
1862, ordinary, exclusive of debt	\$461,554,453	
1863, " " "	659,930,149	\$228,425,696
1864, " " "	951,841,201	261,961,052
Total, three years	\$2,103,375,793	
" internal taxes three years	125,640,788	

Thus, each year gives an immense increase, caused by the higher prices of labor and commodities, that result from the use of paper money. The internal taxes gave, in 1863, \$37,640,787, and in 1864, about 88 millions. The new bill, it is supposed, will give \$250,000,000. Now, it will be observed, that if that sum had been levied in the first year of the war, there would have been only \$200,000,000 to borrow, and the economical application of the money, keeping prices at the same points, would have sufficed for the next two years. The tax levy of \$250,000,000 now will not meet the extra expense caused by the inflation of prices, and will still leave \$700,000,000 to be borrowed.

While this paper system has been adopted it has also been determined to borrow, at an apparently low rate of interest; so, to do this, an inflation of the currency has been the chief dependence, and the attempt to counteract the effect of this upon the price of gold has been the cause of the intense revulsion of the past month.

The position of affairs can best be understood by going back to the origin of the present movement. By the loan of March 2, 1863, Congress authorized the Secretary to issue \$400,000,000 of legal-tender notes, not less than \$10, and with not more than three years to run, bearing interest not exceeding six per cent, payable in lawful money at such time as expressed on the face. "Said notes may be made a legal-tender for their face value, excluding interest," "or they may be made exchangeable by the holder thereof at the designated depository for United States notes, together with the interest thereon, at the date of interest next preceeding such exchange."

Thus two plans were authorized—one, that the notes should be a legal-tender for the face, without the interest, and the other, that they should be converted into legal-tender. The former plan was adopted, but the rate of interest put at five per cent. There were three kinds issued:

1. Two-year notes, interest half yearly.
2. Two-year notes, interest only at maturity.
3. One-year notes, interest only at maturity.

Six months elapsed without any preparation to avail of the loan, and August 31, the pay of the troops fell due, when the Treasury was destitute. The Secretary then addressed the following note, which will be found in full in the October number of this magazine:

TREASURY DEPARTMENT, August 31, 1863.

DEAR SIR:—*The pay of the army for the current six months will require an addition to the ordinary receipts for bonds, of about \$25,000,000, and must be provided for immediately.*

The best mode of doing, so as to guard against all contingencies, is to obtain subscriptions from the banks and bankers for fifty millions of Treasury Notes, by which name, as you know, Legal-Tender Interest Bearing Notes are described in the Act of Congress.

The plates for these notes are now being engraved, and the issues of them will be ready during the month of September.

This loan was at once made to the Secretary, and the troops were paid. The notes were not delivered to the banks, however, until the middle of January, and then with coupons dated December 1. That is, when the banks got them there was nearly two months accrued interest on them—this was to prevent them from

paying them away." The Secretary, at the same time, wrote, September 5 :

"I hope not to make any additional issue this year at all."

Before the banks got their notes, however, the Secretary advertised, in Dec., for \$35,000,000 more, through JAY COOKE & Co.

Meantime, the sale of five-twenty bonds progressed under the issues of the paper money, the amount of which, outstanding at different periods, was officially reported as follows :

	Greenbacks.	Two-year coupons.	Two-year maturity.	One year.	Total legal tenders.
June 30.	\$337,646,589	.....	.....	.....	\$337,646,589
Sept. 30.	402,737,051	.....	.....	.....	402,737,051
Dec. 1.	418,245,931	.....	.....	.....	418,245,931
Jan. 1.	421,836,781	\$50,000,000	.....	.....	471,836,781
Feb. 1.	450,785,004	50,000,000	.....	.....	500,785,004
March 1.	449,119,548	95,502,031	.....	\$5,860	544,627,439
Mar. 15.	449,073,616	115,581,414	.....	14,600,000	579,255,030
April 1.	449,073,616	115,581,414	\$29,801,536	26,520,000	620,976,616
April 12.	449,073,616	115,581,414	44,801,586	51,520,000	660,976,616

In this table we have the official reports of the amount of legal-tenders outstanding at each date. This does not, however, include the fractional currency, which is reported at about \$20,000,000. But as it is not signed or registered, or numbered, the real quantity can never be known. From the quantity of silver, formerly known to circulate, and the apparent abundance of the fractional paper, with other circumstances attending the issue, there must be at least \$50,000,000 outstanding. This however, is not included in the above column. The authorised greenbacks were all issued in September, with the exception of the \$50,000,000 held in reserve to meet the five per cent deposit certificate, and as these were drawn down, the whole issue was completed by February 1. The two year coupon legal-tenders were not given to the banks until January, and the issue continued until March 15, when it was stopped by published order of the Department. The two-year notes, interest payable at maturity, were then continued, as well as the one-year notes, which now are used as currency, notwithstanding the interest.

This is the state of the Government currency; we may now take the official figures of the five per cent deposit certificates outstanding, with the amount of five-twenties sold at corresponding dates, as follows :

	Five-twenties outstanding.	Five per cent Deposits.	Legal Tender.	Price. Gold.	Rate of Int.
June 30.....	\$168,880,250	\$102,384,085	\$337,646,589	\$1.45	6 a 7c
Sept. 30.....	278,511,500	104,934,102	402,737,051	1.43	6 a 7c
Dec. 1.....	390,474,458	49,695,130	418,245,931	1.47	7 a 8c
Jan. 1.....	439,991,938	37,145,768	471,836,781	1.52	7 a 9c
Feb. 1.....	508,005,178	80,293,405	500,785,004	1.57	7 a 8c
Mar. 1.....	510,165,446	40,188,919	544,627,439	1.60	5c
Mar. 15.....	510,740,100	47,207,545	579,255,030	1.62	5 a 6c
April 1.....	510,740,100	49,801,000	620,977,119	1.65	6 a 7c
Apr. 12.....	510,740,100	40,000,000	660,000,000	1.75	7c

This table presents very remarkable results. It will be observed at a glance that between September and January \$215,000,000 of capital had been absorbed into five-twenties, but \$74,000,000 of it was furnished by the Treasury itself from the five per cent deposits, and \$98,000,000 by issuing greenbacks, leaving

but \$53,000,000 actually obtained. This process caused the rise in the price of interest, and, as a consequence, the five per cent deposits were drawn down \$74,000,000, as we have stated, liberating the greenbacks held in reserve to pay the deposits. In all that time there was very little variation in the price of gold. From the 1st of February, however, up to the present time, there has been \$160,000,000 of legal-tender issued, while none has been absorbed into stock. The result is a rise of 23 per cent in gold, a fall in the rate of money, and re-deposits in the Treasury for five per cent certificates, up to April 1, when the interest accumulating on the legal-tenders caused them to be kept for the coupons, and the price of money again rose, causing \$9,000,000 to be drawn from five per cent deposits in the last week. These were paid in one year legal tender, and a renewed rapid rise in gold is the consequence, with an easier money market. Now, on the 1st of June, four weeks hence, the coupons will be paid on the \$115,000,000 two-year notes, and they will again be currency. The question now is, will the currency on, and coming on the market, suffice to float the five per cent stock, or will more be issued?

The rise in gold became serious, and the sale of gold certificates for the payment of duties, was continued from the 29th of March, to the 16th of April, with the following results:

DAILY SALES OF GOLD CERTIFICATES.

	Gov. price.	Market price, gold.		Closing.	Certificates sold	Received back.
		Highest.	Lowest.			
March 29.....	165½	166½	165	165½	\$99,186 67	\$38,190 15
March 30.....	164	164½	163½	164	18,899 63	50,232 56
March 31.....	163½	165½	163½	165½	424,456 56	110,868 98
April 1.....	165	168½	166	166½	439,144 80	278,875 51
April 2.....	166	166½	166	166½	158,290 00	155,118 80
April 4.....	165½	167½	166	167½	296,840 00	246,963 35
April 5.....	165½	168½	167½	168½	354,710 00	256,430 00
April 6.....	166½	171½	168	171½	385,058 56	214,743 60
April 7.....	165	171½	169½	169½	407,710 00	259,610 51
April 8.....	165	169½	169½	169½	417,766 20	479,332 00
April 9.....	165	171½	169½	171½	414,113 87	320,624 00
April 11.....	165	172	170½	172	502,916 00	320,624 00
April 12.....	165	175	173½	174½	513,011 03	425,962 00
April 13.....	165	180½	174½	179	632,288 01	349,861 00
April 14.....	165	189	174½	177	1,076,693 08	346,269 00
April 15.....	165	175	172	174½	1,249,676 00	1,040,633 00
April 16.....	165	174½	170½	172½	1,005,972 62	167,901 41
April 18.....	165	171½	169½	170½	.....	786,161 24

Total certificates issued..... \$8,396,728 03 \$6,677,688 19

Apparently outstanding.....\$1,719,039 12

The sales of certificates did not supply the market with any gold, but prevented a demand for an equal amount. Nevertheless the price rose steadily, and was, when the sales ceased, April 16th, 7 3-8 per cent higher in the open market, than when they began. This failure to produce the desired and expected result, caused a sort of panic, April 14, when the price suddenly rose to 189, with strong signs of a wide spread run for gold. The Secretary then visited the city, and ordered the sale of gold from the Treasury, through certain houses, who employed brokers to sell it in the street for greenbacks. At the same time, the Bank of Commerce had been employed to sell exchange on London, for government account against

gold sent thither the previous January. These sales of certificates, exchange, and gold, in addition to the ten-forty loan, which had been put upon the market March 26th, while all National Banks were instructed to hold and hoard greenbacks resulted as follows :

Certificates sold in New York	\$8,396,728
Certificates sold in other cities.....	4,000,000
	<hr/>
	\$12,396,728
Gold sold.....	\$8,000,000
Exchange sold.....	1,500,000
	<hr/>
Total.....	\$21,896,728
Proceeds in greenbacks.....	\$36,129,015
Proceeds in ten-forty, reported.....	25,000,000
	<hr/>
Total absorption of greenbacks.....	\$61,129,015

This sudden demand for greenbacks upon one point could not but produce a terrible pressure. The sales of certificates and ten-forty bonds gradually drained the market, and at the close of the week the gold and exchange was suddenly thrown out, demanding \$17,000,000 in two days. The effect was to drain the banks of greenbacks, and the banks were thus forced to pay out the five per cent legal-tenders which they had received from the Secretary, in repayment of the money they had loaned, to relieve him from his distress, and pay the troops. In paying out these notes, or currency, however, they would lose five months' interest on the loan they had made the government. This they were naturally loath to do, and loans were called in upon stocks to an extent that caused one of the most severe revulsions of late years in the stock market. The government stocks, of course, felt the pressure intensely, and, on one day, the five per cent five-twenty stock sold at a price equal to one per cent discount. This, of course, was fatal to the new five per cent loan. The pressure soon passed, however; its very intensity wrought its own cure, since stocks were sacrificed and borrowing ceased, while those who had reserved their funds when prices were high, came freely into the market. The rise in the value of money in New York caused it naturally to seek that point from all sections of the country, and it became daily more abundant.

This supply of paper came from three sources. The Treasury continued to pay out its five per cent legal-tender notes which passed as currency. The National Banks multiplied their issues, and the rise in the value of money impelled a larger circulation on the part of the older banks. As a consequence trade continued to be active, and prices gradually to rise. This circumstance, of itself, gave a great impulse to the importation of goods, and increased the export demand for coin. There was, however, a check to the usual course of business by the movement of the Treasury, since the usual export of specie, and the purchase of bills of exchange was delayed, in the hope that by some operation of the Treasury Department, there would be produced such a decline in specie and bills as would afford a great saving to importers. This is illustrated in the course of business in New York, where the specie value of imports and exports compare as follows, this year and last. The following gives, for the two years, up to

March 1, the specie value of exports, as well as imports, the excess of imports, and the amount of specie exported :

Jan. to March 1.	Imports.	Exports.	Excess Imports.	Specie exports.
1863.....	\$27,767,422	\$22,043,381	\$5,724,041	\$8,509,238
1864.....	40,564,817	17,664,810	23,564,819	8,474,346

Thus, last year, to the 1st of March, there had been exported \$2,766,197 more specie than the apparent balance due abroad. This year, on the 1st of March, there was due \$15,090,473 abroad, over and above all the specie that had been exported. By the 1st of March, this year, the public mind became impressed that the Secretary would cause such a fall in gold as to give a large profit to remitters. The effect was as follows, showing the imports and exports from March 1, to April 16 :

March 1 to April 16.	Imports.	Exports.	Excess Imports.	Specie exports.
1863.....	\$31,644,073	\$14,218,820	\$17,425,253	\$7,606,540
1864.....	30,371,607	14,266,412	16,105,195	3,306,549

Last year there was a rapid fall in the price of gold, and the amount remitted, with the surplus sent before March 1, \$10,000,000, to pay \$17,425,253.

This year there was remitted only \$3,306,549, leaving due \$12,800,000, which added to the balance due March 1, leaves over \$28,000,000, of which the remittance has been delayed by the hope of a decline from the operation of causes that have totally failed to produce it.

On the failure of the plan to reduce the value of gold, by selling certificates, the demand for bills for remittances set in with renewed vigor, and the prices were as follows :

RATES OF EXCHANGE.

	London.	Paris.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Jan. 2.	166 a 166½	3.38½ a 3.34½	62½ a 63	62½ a 63½	55½ a 56	110½ a 111
" 9.	166½ a 167½	3.38½ a 3.40	62½ a 63	62½ a 63½	55½ a 56½	110½ a 111
" 16.	169½ a 170½	3.30 a 3.32½	64 a 64½	64½ a 64½	56½ a 57½	112½ a 113½
" 23.	170 a 171	3.31 a 3.33	64½ a 64½	64½ a 65	56½ a 57	112½ a 113½
" 30.	171 a 172	3.32½ a 3.28½	64½ a 64½	64½ a 65	57½ a 57½	113½ a 114
Feb. 6.	174 a 175	3.26½ a 3.23½	65½ a 66½	65½ a 66	58 a 58½	115 a 116
" 13.	173 a 174½	3.27½ a 3.23½	65 a 65½	65½ a 65½	58½ a 58½	115½ a 116
" 20.	172½ a 174	3.27½ a 3.23½	65½ a 65½	65½ a 65½	58½ a 58½	115½ a 116
" 27.	173½ a 174	2.26½ a 3.22	65½ a 65½	65½ a 66	58½ a 58½	115½ a 116½
Mar. 5.	174½ a 175½	3.25 a 3.21½	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 12.	177 a 178	3.15 a 3.18½	66 a 66½	67 a 67½	59 a 59½	117½ a 118
" 19.	176 a 177	3.22½ a 3.18½	65½ a 66½	66 a 66½	58½ a 59	116 a 117
" 26.	179½ a 182	3.15 a 3.10	67½ a 68½	68 a 68½	60½ a 61	120 a 121
April 2.	177½ a 181	3.18½ a 3.12½	66½ a 67	67 a 67½	59½ a 60½	118 a 120
" 9.	184 a 185	3.08 a 3.06½	68½ a 69	68½ a 69½	61½ a 62	121½ a 122
" 16.	189 a 191	2.97½ a 2.95	70 a 71	70½ a 71½	62½ a 64½	127 a 128
" 23.	190 a 192	3.05½ a 2.95	71½ a 71½	71½ a 72	62½ a 63½	124 a 125
" 30.	195 a 198	2.90 a 2.85	73 a 74	73½ a 74½	65 a 66	130 a 131

During the stock demand in March, the price of bills fell very low, as compared with specie, being equal only to 108, gold prices or virtually 1½ per cent under par. When the demand for bills was renewed, the rate rose rapidly to 110½ for gold, and most bankers exacted payment in "double eagles." The amount of exchange sold by the government was not large, and was on such terms as not to suit the operations of general business, while the gold it sold was, to a consider-

able extent, in small coin, and not worth so much by $\frac{1}{2}$ to $\frac{3}{4}$ per cent for remittances as the double eagles. The following table shows the coin movement :

SPECIE AND PRICE OF GOLD.

		1862.		1863.		1864.	
		Received.	Exported.	Received.	Exported.	Gold in bank.	Prem. on gold.
Jan.	2	.....	681,448	254,239	590,262	25,161,935	51 $\frac{1}{2}$ a 52
	9	1,277,788	726,746	.....	1,216,204	25,122,002	51 $\frac{1}{2}$ a 52
	16	.....	1,380,247	279,801	1,985,057	24,884,264	52 $\frac{1}{2}$ a 53 $\frac{1}{2}$
	23	678,841	780,817	365,608	1,000,000	24,631,204	56 a 58
	30	.....	1,331,027	324,864	668,747	24,203,632	56 $\frac{1}{2}$ a ...
Feb.	6	301,860	1,277,000	.....	662,616	24,070,191	59 $\frac{1}{2}$ a ...
	13	359,987	1,152,346	363,198	1,219,808	23,521,453	59 $\frac{1}{2}$ a ...
	20	.....	520,017	.....	325,632	22,523,918	61 a ...
	27	285,394	1,377,016	407,057	531,700	22,301,687	59 $\frac{1}{2}$ a 61
March	5	1,243,551	733,643	512,358	629,803	21,220,653	61 a 62
	12	.....	3,540,550	.....	465,920	20,750,495	62 a 69
	19	249,514	1,201,907	281,404	83,881	21,059,512	62 a 62 $\frac{1}{2}$
	26	159,105	1,050,156	375,101	273,900	20,425,504	69 $\frac{1}{2}$ a 70 $\frac{1}{2}$
Apr.	2	250,778	473,385	273,429	168,912	19,527,665	63 $\frac{1}{2}$ a 68 $\frac{1}{2}$
	9	.....	607,059	302,344	345,471	20,924,287	67 a 71
	16	217,602	153,437	269,522	1,002,384	21,687,670	71 a 89
	23	256,604	629,855	.....	3,226,000	24,868,203	72 $\frac{1}{2}$ a 79
	30	.....	294,998	282,376	1,271,836	24,087,343	77 a 85
Total....		\$6,970,081	\$15,903,398				

The administration seemed determined to effect a forced reduction in the price of gold, notwithstanding the failure that had attended the measures adopted for that purpose. Mr. SHERMAN introduced a bill into the Senate for regulating the dealings in gold and foreign exchange, which passed. This excited the liveliest fears. The substance of it is thus stated in the foreign circular of one of the leading banking houses :

1st. That if two parties on 'Change, or any other public mart, shall agree for the purchase and Sale of a bill on London, Paris, &c., they shall both be liable to fine and imprisonment.

2d. That if a Bill of Exchange be sold and paid for, or contracted to be paid for, in lawful gold money of the United States, or by a certified Bank Check, or in notes of our City Banks, both parties shall be subject to fine and imprisonment.

3d. That if a Banker, or other party, sell a Bill of Exchange on Credit, if it be only for one hour, to enable the purchaser to go to the Bank and draw the money to pay for it, both parties shall be liable to fine and imprisonment.

4th. That in the case of a commission merchant purchasing a cargo of wheat, or other produce for export, under combined limits of cost, freight and exchange, which he can only draw for against Bill of Lading, if he shall sell his bill of exchange, at the time of the purchase, to a banker or other party, deliverable and payable when the shipment is completed, both parties shall be liable to fine and imprisonment.

5th. That if a merchant sell a cargo of coffee, or other merchandise, payable on delivery, say in ten days, and agrees with a banker for the purchase of Bills of Exchange to remit against it, payable and deliverable at the same time as the proceeds are payable, both parties shall be punished by fine and imprisonment.

These bills for the regulation of the interest results inevitably from the use of paper money, are not calculated to support the public credit abroad. The specie movement was all the more strong from these projected loans.

The stock market, generally, under the immense pressure that the temporary demand for greenbacks for gold, and gold certificates, underwent a severe revulsion, and the sale of the five per cent loan was a good deal interfered with in consequence. The prices of United States stocks were as follows :

PRICES UNITED STATES PAPER.

		6's, 1881.		5's, 1874.	7 3-10, 8 years.	1 year certifi.		Gold.
		Reg.	Coup.			Old.	New.	
January	2..	104½	105½	98	106½	101½	97½	151½ a 151½
"	9..	104½	105½	98	106½	102	97½	152 a 152½
"	16..	104	105½	98	106½	102½	97½	153 a 153½
"	23..	106	107	97	107	103	97	156 a 158
"	30..	106½	106	100	107½	102½	97½	156½ a 158½
February	6..	107½	107½	100	108	102½	98½	159½ a 159½
"	13..	109½	109½	100	109½	103	98½	159½ a 159½
"	20..	111½	110	100	111	103	99½	159½ a 161
"	27..	111½	110½	100	111	103	99½	159½ a 161
March	5..	111½	111	100	111	103½	99½	161½ a 161½
"	12..	112	112	100	110½	103	99½	162½ a 162½
"	19..	112	112½	100	110½	103	99½	162 a 162½
"	26..	112	112½	100	111½	103	99½	169½ a 179
April	2..	111	110	100	111	...	99½	166½ a 167½
"	9..	112	112	102	111½	...	99½	169½ a 170
"	16..	107½	112½	102	112	...	99	173 a 189
"	23..	105½	108	109	109	...	97	174½ a 179

GOVERNOR SEYMOUR has issued a circular to the bankers and merchants of New York, calling upon them to provide means, by voluntary contribution, whereby at least so much of the interest on the State debt as belongs to non-resident creditors, if not the whole, may be promptly paid in gold or its equivalent.

In March, 1863, the Governor states that he addressed a communication to the Assembly, asking it to provide for the payment in coin or its equivalent of the interest on the public debt, amounting to \$392,634, the premium of which, if paid in gold, would be \$177,000. Of the whole amount of interest due about \$25,000 was owing to foreign stockholders, and the greater part of the remainder to citizens of this State. He impressed upon the Legislature the importance of maintaining to the letter the obligations contracted by the State. The time might come when it would be compelled to rely upon its own resources, and it could not expect to be able again to go into the market if it were to repudiate the conditions on which it had obtained assistance. An appropriation was made for the purchase of coin sufficient to enable the Comptroller to pay in gold the interest on the stocks of New York held by persons residing abroad; but, no provision having been made for the payment in the same manner of the creditors residing in this country, the Comptroller was compelled to forego it.

This year a joint resolution has been adopted by both houses declaring "that no distinction should be made between the foreign and domestic holders of State bonds as to the currency in which the principal and interest thereon should be paid." The effect of this resolution, in the absence of any appropriation, will be that no part of the interest will be paid, as it was promised, in coin or its equivalent, and the Governor is therefore compelled to appeal to the moneyed interests of New York to save the State from the disgrace which must be visited upon it by the repudiation of its obligations to its foreign creditors. Principle and policy, he says, unite to urge the necessity of keeping faith with the public creditor. Of this there can be no question. We trust and believe that the necessary funds will be forthcoming.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

REPORTS OF NATIONAL BANKS—BANK OF COMMERCE—STATE BANKS TO ORGANISE UNDER NATIONAL LAW—QUARTERLY RETURNS NEW YORK CITY BANKS—POLICY OF STATE BANKS—LETTER FROM SUPERINTENDENT N. Y. BANK DEPARTMENT—THE TREASURER VS. STATE BANKS—TAXATION OF U. S. BANKS BY STATES—CITY BANK RETURNS—BANK OF ENGLAND—BANK OF FRANCE—MEXICAN EMPIRE.

THE most material features of the banking interests is the growing struggle between the two systems of banking—the new and the old. The number of new banks formed and projected is stated to be 375, with an aggregate capital of about \$52,000,000. The law requires quarterly reports, by the comptroller, of all the banks, and monthly reports by the institution. As yet only two quarterly reports have been made, and these are as follows:

NATIONAL BANKS OF THE UNITED STATES.

Synopsis of Quarterly Reports of National Banks for October, 1863, and January 1, 1864.

LIABILITIES.		
	Oct. 1, 1863.	Jan. 1, 1864.
Capital paid in.....	\$6,784,718	\$14,528,721
Circulating notes.....		29,155
Profit and loss account.....	103,506	428,914
Due to banks and bankers.....	822,519	2,098,930
Due to individuals and corporations.....	105,640	606,596
Due to Treasury of United States.....	184,000	3,925,831
Due depositors on demand.....	5,861,885	14,701,624
Miscellaneous.....	261,417	835,104
Total liabilities.....	\$14,073,685	\$37,154,875
RESOURCES.		
Loans and discounts.....	\$4,765,774	\$10,128,922
Due from banks and bankers.....	2,048,953	4,751,773
Due from directors of the banks.....	31,000	413,981
Real estate.....	141,378	208,178
Specie, and other lawful money of the United States.....	1,011,594	5,071,570
Cash items and revenue stamps.....	1,310,257	472,077
U. S. bonds, deposited with U. S. Treasurer, for circulation.....	3,675,275	8,903,050
U. S. bonds deposited, with U. S. Treasurer, for other purposes.....		1,469,750
U. S. bonds, 7-30 notes and certificates of indebtedness on hand.....	955,113	4,677,650
Bills of solvent banks on hand.....		812,705
Bills of suspended banks on hand.....	808	32
Expense account.....	133,533	120,847
Over-drafts.....		56,484
Furniture and fixtures.....		69,197
Suspense accounts.....		659
Total resources.....	\$14,073,685	\$37,154,875

There are 12 of these new organizations in New York city, with a capital of about \$17,000,000. It does not appear that any of them has much business beyond the receipt and distribution of the public money, the use of which seems to be the main inducement to organize the new concerns. The Bank of Commerce, New York, capital \$10,000,000, has sought to become the head government institution for this city, and it put forward claims to have a special Act of Congress passed to constitute it a National Bank here. A clause to that effect was incorporated in the National Bank law, and Mr. SHERMAN, in the Senate, remarked :

"It was important that this wealthy corporation should be allowed to come in under the provision of this bill, as it had extended many favors to the government under the provisions of the bill. As it came from the House it would be excluded; and it was proposed to strike out the House clause and substitute this amendment."

A clause in the new bill also allowed all State Banks to organize under the new law. The New York Legislation passed what appear to be a transcript of that section, but it has not, however, yet received the Governor's signature. The following is the Act :

Section 1. Any bank, banking association, corporation, or individual, incorporated by, or under, the laws of this State, at the time of the passage of the act of Congress, approved the 26th day of February, in the year 1863, entitled, "An Act to provide a national currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof," may, at any time within two years after the passage of this act, become an association under the provisions of said acts of Congress; provided that the owners of two-thirds of the capital stock consent thereto; and when the directors have procured the authority of the owners of two-thirds of the capital stock to make the certificate of association, as required by said act of Congress, the cashier shall publish notice thereof in some newspaper published in the city or county where such bank, banking association, corporation or individual, incorporated aforesaid, is located, for at least thirty days. Should no newspaper be published in such city or county, such notice shall be published as the comptroller of the currency of the United States shall direct. Such cashier shall send like printed notice by mail to the Superintendent of the Banking Department of this State and to each stockholder.

Sec. 2. Any banks, banking association, or individuals incorporated as aforesaid, who shall avail themselves of the provisions of the first section of this act, and the income dividends, property thereof, shall be liable to assessment and taxation under the laws of the State, after the same shall have been organized in pursuance of said section, to the same extent, and with the same force and effect as they, or any of them, are now.

Sec. 3. Nothing contained in this act shall be construed as releasing such association from its obligation to pay and discharge all the liabilities incurred before becoming such association; and it shall be continued a body corporate for the term of three years after having become an association under the laws of the United States, for the purpose of prosecuting and defending suits by and against it, and to enable it to close its concerns, and to dispose of and convey its property, but not for the purpose of continuing, under the laws of this State, the business for which it was established.

Sec. 4. This act shall take effect immediately.

The New York Exchange Bank has become a National Bank.

The old State institutions, in view of the struggle they are likely to sustain with the new, have put themselves upon a defensive line of policy. The quarterly returns of the New York city banks have been as follows :

	June 13, 1863.	Sept. 25, 1863.	Dec. 26, 1863.	March 12, 1864.
Capital.....	\$69,401,788	\$69,722,508	\$69,827,725	\$69,927,725
Net profits.....	11,714,151	11,197,247	13,894,846	12,503,905
Circulation.....	6,161,826	5,344,718	6,136,261	5,867,608
Due banks.....	40,850,168	39,978,798	35,193,604	48,188,922
Deposits.....	166,989,659	200,440,927	167,133,239	227,979,988
Due others.....	1,956,358	5,800,361	2,696,329	1,823,572
Total.....	\$297,073,970	\$332,484,559	\$294,882,004	\$366,291,720
Discounts.....	\$111,146,526	\$119,281,704	\$104,977,849	\$123,089,586
Stocks.....	76,801,701	94,069,228	72,446,988	77,990,167
Bond and mort..	322,845	265,535	326,867	322,894
Real estate.....	6,343,589	6,251,958	6,008,509	5,960,550
Due by banks...	5,679,309	6,962,345	7,665,499	5,212,075
Cash items.....	48,070,477	51,292,468	53,776,363	103,159,721
Specie.....	38,426,463	29,352,863	25,557,430	21,077,317
Legal-tenders...	10,248,308	24,014,682	21,284,399	29,428,006
Overdrafts.....	34,682	43,776	37,600	51,404
Total.....	\$297,073,970	\$332,484,559	\$294,882,004	\$366,291,720

These quarterly reports give the amount of legal-tenders held by them, but the weekly reports do not. Hence, the quarterly reports give a much clearer idea of the movements of the banks than do the weekly returns. The loans in the weekly returns embrace all that draw interest, and are given in averages. In the quarterly returns the stocks are separated, and the actual figures are given. The most remarkable item of the quarterly returns is the "cash items," which, from about 15 millions in ordinary times, has run up to over 103 millions. This is the result of the great rise in prices and activity in stocks, throwing into the banks an enormous amount of checks, that pass the policy money through the Clearing-house, and are so settled. The Clearing-house gave as high as \$123,000,000 some days. This matter gave rise to some difficulty during the panic caused by the attempt to reduce the price of gold. The brokers' checks would no longer pass without being certified. Here the immense volume that pass into banks in the morning for payment of stocks, to be made good subsequently by deposits of others, was stopped. The weekly returns hereto annexed indicate the cause of the pressure upon the New York Banks. The deposits it appears were reduced from April 1st to 23d, nearly \$10,000,000, and the loan nearly \$3,000,000. This necessitated the calling in of the five per cent deposit certificates from the government, which were paid off in legal-tender five per cent notes. The increased specie of the banks was obtained through the payment of the interest, \$3,200,000, due on the seven-thirty, April 1, and the commencement of the payment of the May interest on the five-twenty April 15.

The Secretary of the Treasury has stated that the present rise in prices is due, in a great measure, to the increased issues of the State banks. This is an error, as their circulation is less now than it was in 1854, (although the capital has increased \$26,000,000 since that time,) and the city bank circulation continues to decline each week. In this connection the following letter from the Superintendent of the New York Bank Department, has made its appearance:

THE STATE BANKS.—LETTER FROM MR. VAN DYCK TO THE EDITOR OF THE EVENING POST.

BANK DEPARTMENT, ALBANY, April 19, 1864.

In several recent issues of your paper I have observed that you ascribe the present

inflation of the currency to the circulation of the State banks. As you make no exception in regard to the banks of this State, it is a fair conclusion that you embrace them in your censure; and in this spirit you call upon Congress "*to tax out of existence the State bank paper which has caused this present inflation.*" I look upon it as not a little singular that, in journals of conceded fairness, this inflation is ascribed solely to the currency issued by State banks. The Secretary of the Treasury stands confessedly at the fountain-head of irredeemable paper. He issues hundreds of millions in greenbacks, in legal-tender, in treasury certificates, and in certificates of indebtedness.

In addition, nearly all the currency that can be furnished by the National Banks is borrowed by the treasury and sent to distant points, where it is put in circulation by government agents. Now, I do not say that the Secretary of the Treasury has paid out one dollar, either of national or private currency, not demanded by the public exigencies. But in the face of facts so notorious, why attempt to separate effect from cause? Why single out the State banks for denunciation, as if they alone were responsible for the evils resulting from a redundant currency? Why not call upon Mr. CHASE to stop the hundreds of presses now engaged in inundating the country with the issue of banks established for the very purpose of flooding it with \$300,000,000 of irredeemable paper? This much, at least, would seem to be demanded by consistency.

But I do not intrude upon your columns to defend the banks of other States. I have no means of judging how far they are amenable to censure on the score of an over-issue of currency. But for the banks of New York I can speak authoritatively; and as you invite for them, in common with others, the hostile legislation of Congress, justice requires an exhibition of the facts, and with this object I address you.

The public should be aware that all the plates of all the banks in this State, corporate, associated, and individual, are in my possession, sealed against use, and securely locked from reach of the banks. Not a dollar can be printed without an order from this department, and not a dollar is furnished save upon the deposit of security. Hence our books furnish an incontestible data of the amount of currency delivered to the banks. And what do we find as the result? I take the close of the fiscal year for ten years past as a criterion by which to judge the present, and it shows as follows:

Date.	Capital.	Circulation.
Sept. 30, 1854.....	\$83,773,288	\$43,962,535
do 1855.....	85,589,590	41,159,794
do 1856.....	97,806,301	43,492,485
do 1857.....	107,507,659	41,243,922
do 1858.....	109,996,550	35,607,180
do 1859.....	110,997,040	36,581,276
do 1860.....	111,884,347	38,034,800
do 1861.....	109,982,324	36,606,140
do 1862.....	108,606,062	42,239,836
do 1863.....	109,258,147	42,192,645
April 18, 1864.....	109,588,955	42,862,310

Thus it will be seen that the aggregate circulation issued and outstanding at this time is more than a million of dollars less than in 1854; although the banking capital has increased more than \$26,000,000 within that period. The amount of circulation above stated includes all ever issued to the banks and not returned. More than a million of dollars belonging to institutions which have passed out of existence has probably been lost, burned, or otherwise destroyed. Then again, of the circulation thus standing charged on the books of this department less than \$30,000,000 was in actual circulation on the 12th of March, 1864, as appears from the sworn statements of the banks just made, in obedience to law—the balance being in their possession, unissued. With these official facts and figures in view, will any person kindly inform the public where the charge of "inflating the currency" comes in, as it regards the banks of this State?

In the same paragraph to which allusion has been made, you charitably called upon Congress to "crush, once for all, the pretensions of a spurious states rights party to tax our national banks upon their national bonds." As I am one of those who hold that all capital should pay its just proportion of the public burdens, allow me to say a few words on this subject. And first, if the national banks ought not to be taxed

because they hold national bonds, by what parity of reasoning do you justify the taxation of State banks, who have invested their means in the same securities? The banks of this State hold more than their capitals in United States stocks. Are you in favor of exempting their one hundred and nine millions of dollars of capital from taxation, and throwing the burden on less fortunate persons and property? Again: A National Bank invests one hundred thousand dollars in United States stock, and receives ninety thousand dollars in currency; and you would "crush once for all" any person that should seek to tax it. A State bank invests the same sum in the same security, and receives an equal amount of currency, and you call upon Congress to tax the latter "out of existence." Is this justice? Will it be tolerated in a free community, with the ballot-box still within reach?

The times are too serious for trifling with important interests. The government needs the support of all loyal men, and it should be cautious not to alienate the good will of any portion of the community. Least of all should it be brought into collision with an interest so ramified with all the business relations of the country as the State banks. The Secretary of the Treasury, not content to leave his favorite scheme to the vindication of time and experience, invokes vindictive legislation, on the part of Congress, for the purpose of "taxing out of existence" institutions that have been recognised since the formation of the government as the legitimate offspring of State legislation, the rightful possessors of State privileges, and constitutionally amenable only to State control. Standing far above all State banks on the stream of irredeemable paper issues, he complains that these institutions befool the currency so that he cannot abide it, and that redress can only be had by forcing them into liquidation through onerous taxation. Should these views be seconded by Congress, it is easy to see that disastrous results must ensue, both to government and people. The State banks, forced to a sudden contraction as the only means of avoiding ruinous taxation, cannot retain the securities they now hold, but must throw them upon the market for realization. The indications of a financial revulsion, more wide-spread and disastrous than any our country has yet witnessed, are so apparent, that no considerate man can view otherwise than with profound alarm, any public measure that shall threaten to hasten the catastrophe. With all deference to your suggestions, therefore, I cannot but hope that Congress will not be spurred into hasty action upon a subject fraught with consequences of the utmost importance to the Administration, the banks, and the country.

Respectfully yours,

H. H. VAN DYCK.

This letter shows that the amount of circulation issued by the department is, as we stated above, less than before the war; whereas, if we look at the last quarterly returns of the State Banks we will find that the amount actually issued by the Bank is still less than the figures the superintendent gives—they having out now only about thirty-six millions.

The question of taxing State and National Banks is one that has absorbed much interest during the month. It seems to be the desire of the Treasurer to free the United States organizations from all burdens, and to load them with privileges, while the contrary policy is pursued towards the old banks. In this way it is hoped all moneyed institutions will be compelled to organize under the United States law, and thus all banks be free from taxation, if the proposed amendments are passed. No more short-sighted policy than this could, in our opinion, be pursued. All admit that, in the future, there will be a necessity for greatly increased taxation. This being so, can any one be so blind as to suppose that every other interest in the country will contribute to the support of government and the payment of its debt and allow all our banks to go free? Remember, too, that these banks are organized with government securities as their capital, and that this taxation is to be laid to pay such securities, and that the laborer, the mechanic, the farmer, the merchant, the lawyer, will be called upon to pay their portions to thus fill the safes of Banks. In our opinion, if such policy be pursued, the time will soon come when these same corporations

will pray most earnestly to be taxed to free themselves from popular odium. This war is a war for the life of the nation. We are willing and desire to be taxed to support it, and to pay every cent of the debt that may be incurred in its prosecution. Nor do we expect that equal and exact justice can, in all cases, be measured out; but we do expect that the entire wealth of the country, without exception, shall be made to contribute in accomplishing this purpose.

During the session of the New York Legislator, which just closed, efforts have been made to exempt United States Banks from State taxation also. The bill now in the United States Senate proposes to accomplish the same thing by United States legislation. Whether this latter act will ever become a law time alone can tell. As the law now stands, their capital will probably be taxed by the State, until the decision of the Court of Appeals is reversed by the United States Court. This point came before the Court in the case of the Commissioners of Taxes and Assessments of New York *vs.* The Bank of Commonwealth. The defendant claimed exemption from the payment of taxes because its capital, beyond its real estate, was invested in United State bonds, which the United States law exempted. But the Court held that, under the State law, the *capital* was taxable, as such, and not the bonds in which it was invested: so that the question as to the nature of the investment could not come up in the case. The law under which this decision was made was passed by the New York State Legislature, April 29, 1863, and provides that "all banks, banking associations and other moneyed corporations and associations shall be liable to taxation on a valuation equal to the amount of their capital stock paid in, or secured to be paid in." Under this decision the capital of the United States Banks, as well as State Banks, will be taxed by the State, whatever it may be invested in, unless the bill in the United States Senate is passed, expressly exempting from every species of taxation the *capital* of these pet corporations. In the latter event, there will be direct conflict between State and National legislation, which can alone be settled by the Courts.

The following are our usual returns of the Banks of the three cities, brought down to the latest dates:

BOSTON BANKS.

BOSTON BANKS. (*Capital, Jan., 1863, \$38,231,700; Jan., 1862, \$38,231,700.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	Due to banks.	Due from banks.
Jan. 4...	\$76,805,343	\$7,503,889	\$9,625,043	\$32,525,679	\$12,831,000	\$12,351,500
" 11...	77,747,734	7,531,195	10,185,615	31,524,185	12,703,600	11,019,000
" 18...	75,877,427	7,464,511	9,963,389	31,151,240	12,041,000	11,769,000
" 25...	74,146,000	7,440,000	9,729,000	30,893,000	11,106,700	12,227,000
Feb 1...	73,959,175	7,385,413	9,660,163	30,655,782	10,825,000	11,854,500
" 8...	71,765,122	7,265,104	9,579,020	30,030,292	11,315,000	12,272,000
" 15...	71,088,849	7,224,924	9,741,471	30,412,647	11,615,000	13,448,000
" 22...	71,074,000	7,215,500	9,411,000	31,831,000	11,329,600	14,925,400
" 29...	72,189,003	7,179,310	9,371,440	33,155,888	12,224,603	16,189,724
Mar. 7...	72,687,363	7,108,519	9,606,318	33,688,017	12,313,829	16,535,992
" 14...	72,105,111	7,052,181	9,490,311	33,891,204	12,704,181	17,315,231
" 21...	73,207,121	7,033,721	9,548,211	35,090,181	13,092,531	17,266,741
" 28...	73,485,514	7,016,086	9,210,096	34,859,508	13,352,706	17,071,732
April 4...	71,838,506	6,856,708	9,442,082	32,861,609	13,601,005	15,786,091
" 11...	72,620,348	6,932,192	10,447,916	33,324,978	15,094,360	17,862,371
" 18...	72,328,896	6,869,726	10,331,806	33,510,054	14,447,997	17,054,244
" 25...	72,538,611	6,952,498	10,938,991	31,810,971	14,715,981	15,790,498

NEW YORK BANKS.

NEW YORK BANKS. (*Capital, Jan., 1864, \$—; Jan., 1863, \$69,494,577.*)

Date.		Loans.	Specie.	Circulation.	Net Deposits.	Clearing.
January	2...	\$174,714,465	\$25,161,935	\$6,103,331	\$140,250,856	\$300,753,147
"	9...	173,009,701	25,122,002	6,032,546	134,861,977	387,546,217
"	16...	165,991,170	23,884,264	6,008,182	130,311,046	416,962,806
"	23...	162,925,880	24,077,513	5,049,807	130,136,203	460,811,543
"	30...	162,296,896	24,203,632	5,913,558	130,665,415	427,306,608
February	6...	163,076,846	24,070,791	5,974,762	133,849,042	425,430,985
"	13...	165,090,329	23,521,453	5,916,707	140,464,616	467,751,745
"	20...	163,302,935	22,523,918	5,908,394	148,014,106	514,887,411
"	27...	174,928,205	22,301,687	5,907,861	154,875,059	575,442,304
March	5...	182,317,878	21,183,034	5,937,167	153,999,668	513,951,433
"	12...	189,757,746	20,750,405	5,918,807	168,044,977	638,822,273
"	19...	198,229,513	21,059,542	5,889,197	169,637,975	618,338,858
"	26...	199,372,437	20,425,504	5,514,139	168,315,904	576,253,989
April	2...	203,993,131	19,526,665	5,708,908	171,151,297	676,372,745
"	9...	204,333,192	20,924,237	5,804,511	170,513,020	658,352,112
"	16...	198,703,699	21,687,670	5,779,650	168,350,790	646,523,643
"	23...	196,286,722	24,863,003	5,679,947	161,973,166	672,442,340

PHILADELPHIA BANKS.

PHILADELPHIA BANKS. (*Capital, Jan., 1863, \$11,740,080; 1862, \$11,970,130.*)

Date.	Loans.	Specie.	Circulation.	Deposits.	to banks.	from banks.
Jan. 4...	\$35,698,808	\$4,153,585	\$2,055,811	\$29,878,920	\$4,316,763	\$2,963,563
" 11...	35,458,967	4,158,235	2,050,891	30,484,227	4,001,473	3,014,183
" 18...	34,896,842	4,158,125	2,044,427	31,194,861	4,330,120	3,063,148
" 25...	34,849,989	4,103,065	2,047,846	32,354,253	3,500,693	2,905,921
Feb. 1...	34,345,126	4,108,109	2,056,532	32,027,147	3,453,431	3,271,306
" 8...	34,146,677	4,102,671	2,066,069	31,033,030	4,080,059	2,461,873
" 15...	34,590,880	4,102,748	2,069,061	29,911,704	4,322,609	2,080,750
" 22...	35,059,676	4,102,538	2,119,488	30,783,741	4,463,751	2,099,778
" 29...	35,519,704	4,102,848	2,167,343	31,435,753	4,837,264	2,114,227
Mar. 7...	35,913,334	4,102,632	2,208,492	31,712,547	5,323,316	2,116,042
" 14...	35,956,678	4,099,707	2,308,250	32,511,405	5,508,146	2,333,819
" 21...	36,412,923	4,099,664	2,340,132	32,835,038	6,933,974	2,428,227
" 29...	36,695,415	4,096,401	2,357,763	33,156,496	5,791,191	2,724,935
April 4...	37,262,220	4,095,495	2,390,092	34,404,607	5,641,638	3,425,805
" 11...	37,032,110	4,093,461	2,379,827	35,958,444	5,855,277	3,799,151
" 18...	39,535,334	4,095,387	2,329,590	38,174,046	5,748,257	3,291,176
" 25...	39,570,567	4,095,475	2,253,386	37,393,247	6,067,966	2,592,465
May 2...	39,770,436	3,972,349	2,241,885	37,758,836	6,374,531	2,730,540

BANK OF ENGLAND.

The general state of affairs in the English money market remains very much as at the date of our last report. The rate of interest at the Bank, which had been lowered to 6 per cent, February 24, remained at that figure up to the payment of the quarterly interest on the public debt. At the adjourned meeting of the proprietors of the Bank of England, on the 22d of March, the payment of the dividend of 5½ per cent for the half-year was confirmed; and the leading features of the Bank were, and have since been, as follows:

THE BANK OF ENGLAND RETURNS.

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Dec. 2...	21,685,732	7,234,894	12,924,545	31,980,889	13,048,475	8 per ct.
" 9...	20,801,207	8,629,856	12,981,276	32,622,659	13,008,617	8 "
" 16...	20,382,764	9,103,738	13,265,063	32,303,049	13,675,474	7 "
" 23...	20,273,799	10,266,546	12,711,637	32,270,286	14,217,067	7 "
" 30...	20,686,538	10,811,991	13,021,212	33,438,154	14,362,605	7 "

Date.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Jan. 6, '64	21,822,304	10,001,982	13,052,604	33,486,952	14,196,754	7 "
" 13,...	21,896,420	5,264,097	15,411,794	31,726,575	11,708,597	7 "
" 20,...	21,445,793	5,689,074	13,879,877	31,445,860	12,974,109	8 "
" 27,...	20,876,325	6,337,246	13,406,627	31,017,449	13,022,220	8 "
Feb. 3,...	21,162,626	6,748,867	13,372,981	31,436,334	13,303,243	8 "
" 10,...	20,708,113	7,254,662	12,882,226	36,923,317	13,472,271	7 "
" 17,...	20,696,172	7,079,789	13,306,156	31,078,328	13,583,535	7 "
" 24,...	20,207,871	8,153,601	12,426,673	30,504,827	13,819,412	6 "
March 2,...	20,840,374	7,893,633	13,541,278	31,980,446	14,034,222	6 "
" 9,...	20,563,323	8,863,364	12,434,975	31,769,311	13,884,389	6 "
" 16,...	20,333,112	8,570,711	13,105,800	31,929,164	13,946,943	6 "
" 23,...	20,366,705	9,841,323	12,480,154	32,112,543	14,499,201	6 "
" 30,...	20,908,644	10,280,458	12,658,986	33,472,484	14,163,519	6 "
April 6,...	21,528,914	9,818,880	13,348,299	34,223,509	13,816,762	6 "
" 12,...	21,785,597	5,929,922	13,586,029	31,385,305	13,080,300	6 "
" 20,...	21,672,733	5,787,329	13,684,069	31,596,179	12,743,303	7 "

The public deposits, by regular gradation, rise and fall up to and at the quarterly dividend dates on the public debt. At the close of December they were £10,001,982, and \$5,000,000 were paid out, increasing the circulation about £1,000,000, and diminishing securities £2,000,000. The deposits re-accumulated to April 1, when the payments again took place. The demand for specie meantime seems to have been regular, absorbing all that arrived, and the Bank about maintained its quota, keeping the rate of interest at 6 per cent.

BANK OF FRANCE.

In March, the Bank of France was enabled, also, to make a reduction of 1 per cent in the rate of discount—that is, from 7 to 6. But the charge for advances on deposits of shares and other securities remained at 7. The opinion is that the Bank might, without inconvenience, have made this reduction a week or ten days previous, or even further back: and farther reduction was expected, but this did not take place. The returns of the Bank are as follows:

BANK OF FRANCE.

	Loans.	Specie.	Circulation.	Deposits.	Interest.
January —	fr.751,649,983	fr.169,027,010	fr.813,490,825	fr.159,797,667	7
February —	705,516,796	182,573,888	775,096,775	160,110,225	7
March —	642,135,993	195,994,738	746,610,375	142,925,719	6
April —	643,570,276	219,320,720	759,926,425	133,701,530	6

These figures indicate the contraction which took place in the Bank's affairs, under the effort to keep down the rate of interest as long as possible. The Bank of France has also, since our last, made its first issue of 50f. (\$10) notes. The issue was not a large one, at least in Paris. The notes have been readily accepted, and even sought for, by persons in communication with the Bank, and there is no doubt that they will be taken with equal readiness by the people generally. Notwithstanding that, the Bank Directors have always regarded small notes as an evil, a danger, and as repugnant to the public interest, and have consequently resisted as long as they possibly could an issue of them. The fact, however, that the notes are well received by no means takes from them their dangerous character, which is to promote expansion. Nevertheless, the general tendency of financial affairs throughout Europe is to expansion, and to promote the circulation of credit by applying it to productive sources. Very many new companies with this object are projected.

The council of State has not yet completed its examination of the statutes of the *Societe Generale pour Favoriser le Commerce et l'Industrie*—the new *Credit Mobilier*. The financial world is very impatient at the delay of the Council. The Company has received the sanction of the Government.

Negotiations were nearly completed for a Mexican loan in 6 per cent stock for the nominal amount of 28,000,000 sterling with the great houses of Rothschilds, Hottinguers, Fould Oppenheim, &c., Solomon Heine, Baring Brothers, and others. It is under the auspices of M. Fould, and will be officially quoted at the Paris Bourse. The contract price, it is said, will be 72. The old English 3 per cent debt of 10,000,000 sterling is not to be converted or disturbed; but the over-due dividends, amounting to 3,000,000 sterling, will either be paid or capitalised into 6 per cent new bonds. The Emperor elect of Mexico is very anxious that the English bondholders should surrender the mortgage they now hold on the Mexican Customs receipts, but they cannot be reasonably expected to relinquish so perfect a security unless their claims are honorably discharged.

Out of the loan, the claim of the French Government for war expenses will have to be paid:—it will probably amount to about £13,000,000.

A later date gives the following prospects of the loan which was all taken up promptly at a premium:

Empire of Mexico.—Anglo-French six per cent loan.—£7,790,000 representing a nominal amount of £12,365,000 at sixty-three per cent. In bonds to bearer, of £1,000, £500, £200, £100 and £50 each, with others of smaller amounts for the continental markets. With half-yearly coupons attached, payable 1st of April, and 1st of October in London or Paris.

Decrees of the Emperor Maximilian, dated 10th and 11th of April, 1864, and conventions entered into with Messrs. GLYN, MILLS & Company, authorise the issue of bonds of the Mexican Empire to the extent of £12,365,000 sterling, bearing interest at six per cent per annum, payable half-yearly in London or Paris. Of this amount £8,000,000 bonds will be negotiated on account of the Mexican Government, and the remaining £4,365,000 on account of the French Government, by whom these bonds have been accepted in payment of expenses incurred in Mexico.

A coupon of three per cent, due the 1st of October, 1864, will be attached to the scrip, and will be received in part payment of the instalment of ten per cent due on the 15th of October, and subscribers will have the option of paying the instalments under discount, at the rate of six per cent per annum, on any of the days fixed for payment of the instalments.

The bonds will be expressed in francs, as well as in sterling, so as to admit of their negotiation in Paris and other continental markets.

Each bond will have attached to it half-yearly interest coupons, payable on the 1st of April and 1st of October of each year, in London, in sterling, at the bank of Messrs GLYN, MILL & Co., and in Paris, at the fixed exchange of 25s 20c per pound sterling at the bankers of the Mexican Government.

Out of the proceeds of the loan a sum equal to the four half-yearly payments of interest thereon falling due on the first of October, 1864, first of April, and first of October, 1865, and first of April, 1866, will be retained in the *Caisse des Depots et Consignations* of the French Government at Paris. The Mixed Financial Commission hereinafter described will be specially charged with the duty of providing, out of the funds so retained, for the payment in London and Paris of the said four half-yearly dividends.

Also, out of the proceeds of the loan, and under precisely similar arrangements, funds will be retained for the next four half-yearly payment of interest on the three per cent Mexican bonds held under the decree of October, 1850, and on the new three per cent bonds representing the capitalised arrears of interest thereon, as agreed to by the holders of the existing bonds at their recent meeting in London.

For the liquidation of the loan now to be contracted, a sinking fund, equal to one per cent per annum on the nominal capital of the loan, will be provided from the first

of April, 1869, and applied to the purchase in London and Paris of bonds of the various classes issued to represent the loan.

A Mexican Financial Commission will be at once established in Paris, and will be empowered to do all official acts necessary for the completion and issue of the scrip and bonds arising out of the loan, and also for the capitalisation of the arrears of interest on the old bonds, and for other financial purposes.

At the first meeting of the Canadian Loan and Investment Company, March 12, it was resolved to make a distribution by way of interest at the rate of 5 per cent per annum, free of income tax. The report stated that the whole of the paid-up capital has been profitably employed in Canada, and that the directors propose to extend their business by raising additional funds on debentures.

The directors of the British and Californian Banking Company (limited) had concluded an arrangement with the well-known firm of Faulkner, Bell & Co., of San Francisco, for the acquisition of their banking and exchange business. Mr James Bell, of that firm, will be a local director at San Francisco, and Mr Henry D. Harrison, of the same house, will join the London Board.

THE RECIPROCITY TREATY—SHALL IT BE ABROGATED?

WHETHER our present commercial relations with Canada shall be continued is a question at present attracting much attention. We see the House Committee on Commerce have agreed upon and ordered to be reported, when that committee shall be called, a joint resolution authorizing and requiring the President to give notice to the government of Great Britain that it is the intention of the government of the United States to terminate the reciprocity treaty at the end of twelve months from the expiration of ten years from the time the treaty went into operation—viz : September, 1854—to the end, as it is stated, that the treaty may be abrogated as soon as it can be done under the provisions thereof ; unless a new convention shall, before that time, be concluded between the two governments, by which the provisions shall be abrogated or so modified as to be mutually satisfactory to both governments. The President is also to be authorized to appoint three Commissioners, by and with the advice and consent of the Senate, for the revision of the treaty, and to confer with other commissioners, duly authorized therefor, whenever it shall appear to be the wish of the government of Great Britain to negotiate a new treaty between the two governments and the people of both countries, based upon true principles of reciprocity, and for the removal of existing difficulties.

This may all be very well—if we can obtain greater privileges than we now enjoy for those we grant, it is certainly well enough to obtain them. But is it not best for us to be a little careful lest we may lose rather than gain by a change. Certainly, prejudice against England or Canada should not blind us to our real interests. Whether England has treated us fairly during this war ; whether Canada has sympathized with the South rather than with the North, are not matters at issue. We speak thus, knowing that the part England has taken in allowing privateers to be fitted out has justly excited prejudice against her, and having frequently seen this prejudice appealed to in the discussion of this question ; clearly, however, this is a matter that should be decided on its own

merits. Is the country being benefitted by the treaty or is it not? If it is, then undoubtedly it should stand; but if not, it should be abrogated.

Nor is it worth while to prove that we do not under the treaty receive as many privileges and exemptions as we would like. It would, certainly, be agreeable if the Canadian tariff were made more favorable to us; if the fishing privileges were extended; if the use of the Canadian canals were freer. And it is clearly proper that authority should be given the government to seek to obtain an extension of our own rights in these respects, and to remove present restrictions. But whether the treaty should be abrogated, if we are unable to obtain all we desire, is an entirely different question. In this connection the following tables made up from the commerce and navigation reports for the several years, will be of interest—certainly those who have claimed that the treaty was an unmitigated evil will not find in these figures much to sustain them in their position.

STATEMENT EXHIBITING THE EXPORTS TO AND IMPORTS FROM CANADA AND OTHER
BRITISH POSSESSIONS IN NORTH AMERICA, FROM JULY 1, 1851, TO
JUNE 30, 1861:

Year ending 30th June.	EXPORTS.			IMPORTS.
	Foreign.	Domestic.	Total.	
1852.....	3,853,919	6,655,097	10,509,016	6,110,299
1853.....	5,736,555	7,404,087	13,140,642	7,550,713
1854.....	9,362,716	15,204,144	24,566,860	8,929,560
1855.....	11,999,378	15,306,642	27,306,020	15,136,734
1856.....	6,314,652	22,714,697	29,029,340	21,310,421
1857.....	4,326,369	19,936,113	24,262,482	22,124,296
1858.....	4,012,768	19,638,959	23,651,727	15,806,519
1859.....	6,622,473	17,029,254	23,651,727	19,727,551
1860.....	4,038,899	18,667,429	22,706,328	23,851,381
1861.....	3,861,093	18,883,715	22,079,115	23,062,933
1862.....	2,427,103	18,652,012	21,079,115	19,299,995
Totals*.....	31,603,362	135,522,179	171,628,779	145,183,096

Increase each year over 1852.

	Exports.	Imports.
1853.....	2,631,626	1,440,419
1854.....	14,057,344	2,817,261
1855.....	17,297,004	9,026,435
1856.....	18,520,334	15,200,122
1857.....	13,753,466	16,013,997
1858.....	13,142,711	9,696,220
1859.....	17,645,158	13,617,252
1860.....	12,197,312	17,741,082
1861.....	12,236,597	16,952,634
1862.....	10,509,016	13,189,696

Showing our total exports from the United States to the British North

American Provinces since 1855 to have been 171,623,779

Imports to the United States from the same Provinces..... 145,183,096

Balance in favor of the United States..... \$26,444,683

* Since 1855, the time when the treaty went fully into effect.

We do not mean to say that this balance arises from goods free under the Treaty. These figures simply show the extent of the trade between the two countries, and the importance to us of continuing friendly relations, and fostering that trade. Of course, with such a balance, we should be gratified to have each article in the free list an "American Zollverein." But if Canada does not see fit to grant us everything we desire, is it, as we before asked, the part of wisdom to give up all reciprocity, and take the results of an opposite policy. Such a proceeding would, it seems to us, not be unlike that of the spoiled child, who, if it can't have its bread sugared all over, won't eat any bread.

In this connection it is also well to consider the importance, to us, of the free navigation of the St. Lawrence. Many are not aware that the use by the West of this avenue of communication with the markets of the world, is growing every year, or, at least, was doing so until the war broke out, which checked all similar enterprises; and if the Canadian canals are enlarged, so as to pass vessels of 1,000, or even 800 tons, its value to that portion of our country will be greatly increased. Every outlet those great States can have for their overflowing wealth, they should have.

The *Detroit Advertiser and Tribune*, one of the most enterprising papers in the West, gives the following carefully prepared statement, showing the vessels that have been engaged in this trade:

The schooner *Lily* was the first vessel that ever passed down from the lakes to the ocean, bound for an European port. Her destination was Liverpool. This was about the year 1846. She afterwards sailed in the Quebec and Liverpool trade, but was lost, we believe, on her third ocean voyage. Prior to 1858, the passage of vessels through the Welland Canal to the Atlantic was of rare occurrence, but owing to the tempting inducements held out for the shipment of the rich products of our forests and harvest-fields, public attention became gradually directed to the trade, and it was at last fairly inaugurated by the departure of the schooner *Dean Richmond* from Chicago, in 1856, with a cargo of wheat, and the barque *C. J. Kershaw* from Detroit, 1857, with a cargo of staves and lumber. During the years 1858-59, and '60, lake freight ruled low, which was the means of giving a great impetus to the ocean lake trade, and a large number of vessels embarked therein. In 1861, home freight began to improve, and nearly all the lake vessels employed in the ocean trade returned home. In the following list, we make no distinction between those which sailed for European ports, and those engaged in the Atlantic coasting trade. We may have made some slight errors regarding the date of one or two which cleared prior to 1856, but, otherwise, we think the statement is correct, as well as complete:

SAIL VESSELS.

	1846.		1854.
Schooner <i>Lily</i> .*		Schooner <i>Cherokee</i> .*	
	1847.		1855.
Barque <i>Arabia</i> .*		Barque <i>Reindeer</i> .*	
Schooner <i>Elizabeth</i> .*			1856.
	1848.	Schooner <i>Dean Richmond</i> .	
Barque <i>Eureka</i> .			1857.
	1850.	Barque <i>C. J. Kershaw</i> .	
Schooner <i>Scotia</i> .*		Schooner <i>Madeira Pet</i> , (English.)	
			1858.
Barque <i>C. J. Kershaw</i> .		Schooner <i>R. H. Harman</i> .	
" <i>D. C. Pierce</i> .		" <i>J. F. Warner</i> .	
" <i>H. E. Howe</i> .		" <i>D. B. Sexton</i> .	

Brig Black Hawk.
Schooner Col. Cook.
" C. Reeve.
Barque E. S. Adams.*

Schooner Correspondent.
" Harvest.
" Pamela Flood.

1859.

Barque W. S. Pierson.
Brig J. G. Deshler.
" Black Hawk.
Schooner J. F. Warner.
" Dousman.
" Grand Turk.
" Chieftain.*
" C. H. Walker.
" Evelyn Bates.
" Republican.

Barque Magenta.
Brig Indus.
Schooner Union.*
" Muskingum.
" Clifton.
" Energy.
" Alida.
" Typhoon.

Barque Allies.*
" Massillon.
Brig Caroline.
Schooner Gold Hunter.
" R. H. Harman.
" Valeria.
" Vanguard.
" St. Helena.
" M. S. Scott.
" Hugh Barclay.
" Messenger.

Brig Sultan.
" Kate L. Bruce.
Schooner Kyle Spangler.
" Adda.
" Metropolis.
" W. B. Castle.
" Sarah Hibbert.

1860.

Barque O. J. Kershaw.
" T. F. Park.*
" Pride of Canada.*
" Norman.*
Brig Globe.
" Caroline.
Schooner W. H. Merritt.*
" G. W. Holt.
" St. Albans.
" West Wind.
" Fashion.
" Sophia Smith.
" Charmer.
" Chief.
" Adriatic.
" George Laidlaw.*
" Milwaukee Belle.
" Valeria.
" Linnie Powell.*
" Neptune.*

Barque E. S. Adams.*
" Illinois.
" Niagara.*
" Alexander.*
Brig J. G. Deshler.
" J. H. Harmon.
Schooner Chieftain.*
" H. N. Farnham.
" Twin Brothers.
" Twin Sisters.
" White Cloud.
" Plymouth.*
" Forest City.
" Gem.
" Lewis Spanner.
" J. F. Warner.
" Reindeer.*
" Indian Queen.*
" Orkney Lass.*
" R. H. Harman.

1861.

Barque Ravenna.
" Niagara.*
Schooner Col. Cook.
" Caroline Simpson.

Barque Alexander.*
Brig J. G. Deshler.
Schooner Gold Hunter.

1862.

Barque T. F. Parke.*
Schooner Chieftain.*
Brig Sloopner (Norwegian.)

Barque Prince of Wales.*
Schooner Bridget.*
" Sirius.

1863.

Barque Ravenna, (two trips.)

Barque D. Cornwell.

Brig Cressington.
Schooner Clarebel.
" Vanguard.
" Skjoldoman, (Norweign.)

Brig J. G. Deshler.
Barque Sleipner, (Norweign.)
Schooner Howell Hoppock.
" Owen Beares.

STEAMERS.

America.
Peerless.
Niagara.
Northerner.
La Crosse.
Gordon Grant.
Oswego.
Cushman.
Decatur.
Mary Grandy.
Uncle Ben.
President.
G. W. Gunnison.

Canada.
Maple Leaf.
New York.
Salvor.
Dallas, (U. S. Revenue Cutter.)
George O. Vail.
Lady Franklin.
A. A. Turner.
Detroit.
Sentinel.
Maria Love.
Perry.

* Canadian.

RECAPITULATION.

Total clearances sail vessels, prior to 1858,	-	-	-	-	-	-	-	-	10
Clearances of sail vessels in 1858,	-	-	-	-	-	-	-	-	13
" in 1859,	-	-	-	-	-	-	-	-	37
" in 1860,	-	-	-	-	-	-	-	-	39
" in 1861,	-	-	-	-	-	-	-	-	7
" in 1862,	-	-	-	-	-	-	-	-	6
" in 1863,	-	-	-	-	-	-	-	-	11
Total clearances of steamers,	-	-	-	-	-	-	-	-	25
Grand Total,	-	-	-	-	-	-	-	-	148

PARTIAL HISTORY OF THE VESSELS.

Of the large number of our lake vessels which have engaged at one time or another in the European trade, the Kershaw and Chieftain are now almost the only ones remaining in it. They are, we believe, own on the Black Sea. The D. B. Sexton, after paying for herself two or three times, was finally lost about a year ago in the Straits of Gibraltar. The D. C. Pierce was sunk at Norfolk by the rebel pirates soon after the war commenced. The barque H. E. Howe was sold in London in 1859, and the brig Caroline in 1860, and we have now no trace of their whereabouts. The brig J. H. Harmon was lost between Cape Breton and Halifax, in the fall of 1860. The Messenger was condemned and broken up at Brooklyn. The Caroline Simpson, which left Genesee river in 1861, was employed for a while in the coasting trade, making Jacksonville a point, but we last heard from her at Gibraltar. The Adda was lost about three years ago. The W. B. Castle was also lost. The Indus, after being wrecked, was towed into Philadelphia and converted into a brig. The St. Helena was chartered a few years ago for the coast of Africa, at a high rate per month, and went out with a cargo of lumber, but was lost. The E. S. Adams was lost in 1863 on Lake Erie. The Kyle Spangler was also lost. The Black Hawk, after weathering the gales during two voyages to Europe, was lost in 1863, off Point aux Bec Sces, Lake Michigan. The Sirius was lost the same year of her departure. The Harvest was sold at Rio a few years since. She was heard from at Buenos Ayres, a year ago, and is probably still running between Rio and Buenos Ayres. The Republican, after many profitable voyages in the coasting trade, was finally wrecked on the Florida coast. The D. C. Pierce is not the only lake craft connected with the events of the rebellion. The Canada, (chang-

ed to Coatzacoalcas,) one of the fine large steamers purchased by N. P. STEWART, of Detroit, and taken over the rapids of the St. Lawrence, is in service in our navy, and has an 80-pounder mounted amidships. Her consort, the *America*, was wrecked off the Texan coast. The wrecking tug *Salvor*, which will be remembered by thousands in our lake cities, was fitted up for a slaver, but matters did not work satisfactorily in this interesting branch of commerce, and, when the war broke out, she was in the cattle trade between Brazos and Cuba. The *Gunnison* is now a rebel gunboat, stationed in Mobile bay. The steamers *Peerless*, *Maple Leaf*, *Niagara*, *New York* and *Northerner*, were all bought by our government in 1862, and fitted up for transports. The three former were bought from Canadian owners. Among the steamers are several tugs, which are employed in towing at various points.

Messrs. CUNNINGHAM & SHAW, of Liverpool, have now fitted out a line of *Al* vessels to run regularly between that city and Detroit and Cleveland. The *Ravenna* and *Deshler*, (the name of the latter changed to the *Cressington*,) form part of the line. As these gentlemen are thoroughly versed in the trade, the movement shows pretty conclusively that it can be carried on with profit.

We see that the Detroit Board of Trade had this subject of the abrogation of the Reciprocity Treaty before them not long since and several of the members discussed it very ably. The following remarks made on the occasion referred to by R. HAWLEY, Esq., of that city, contain many interesting suggestions and statements, and show a clear appreciation of the question at issue. This meeting at which the discussion took place was in February last. The general subject being before the Board, Mr. HAWLEY offered the following resolutions:

Whereas, The Board of Trade of the city of Detroit, has had the Reciprocity Treaty under consideration for several weeks past; therefore

Resolved, That they are of the opinion that the operation of said treaty is beneficial to the United States, as well as to Canada and the other British Provinces of North America, and that they see no reason to desire its abrogation.

Resolved, That they believe further, that if the respective governments interested would inaugurate a system of moderate duties on manufactured goods, it would impart additional force and efficacy to the treaty itself.

Resolved, That, inasmuch as we are united geographically, and by numerous lines of railway intercommunication, as well as by the higher ties of relationship, language and religion, we should ever cherish and manifest those fraternal feelings which we hope sooner or later will pervade the world.

In support of these resolutions Mr. HAWLEY spoke in substance as follows:

As a Board of Trade, we are convened to discuss a topic as important as any that ever came before us. Let us approach it, then, in a spirit of moderation and candor, not animadverting severely upon men or measures, unless fealty to truth and duty shall require it. Mr. HAWLEY then stated that at the threshold of our inquiry we were met by three views. The first is the proposition laid before Congress by Mr. WARD, Chairman of the Committee on Commerce, February 5, 1862, to the effect that there should be free trade in its broadest sense between Canada and the United States. There should be, he maintained, no custom houses, and commercial intercourse should be in every respect similar to that instituted by the Zollverein, between the German States. But, however pleasant that picture, it was, nevertheless, impracticable, there being insuperable obstacles in the way. Canada was under obligations to the mother country, and could not open her ports to us, and refuse the same privileges to the former. Others insist that the treaty should be abrogated as contemplated in the original resolutions. An intermediate or middle view of the question has attracted considerable attention. That view is taken in the resolutions, before us, and has

been taken by the Boston Board of Trade. WILLIAM B. SPOONER and COLONEL ASPINWALL, prominent members of that body, had urged that the treaty should not be abrogated, but modified. Their remarks had special reference to duties improperly levied on articles outside of the provisions of the reciprocity treaty. Mr. SPOONER singled out molasses as one of the articles in this category. The President of the Board urged that circumstances required a change, and it became an interesting and momentous question what the nature of that change should be. In it was involved that vitally important consideration, good will between nations.

The first provision of the treaty, continued Mr. HAWLEY, secured to the United States the important fisheries off the coast of the British North American Provinces. We all remember the trouble and strife regarding these fisheries before the formation of the treaty. The boundary was a water line, and naturally became a question of dispute. Revenue cutters were stationed in the vicinity of the grounds, and war was for a time imminent. This treaty was negotiated, and the first good fruits the measure brought us, was the settlement of this vexed question. It secured to us all the rights pertaining to the free use of the fisheries, excepting shell fish, and the taking of fish at the mouth of rivers. He regretted that he was not definitely posted as to the value to us of these important privileges. They had been estimated at \$12,000,000. He did not know that this was a reliable estimate, but they were certainly very valuable. The tonnage of Massachusetts shipping engaged in the cod and mackerel fisheries, in 1854, exceeded 100,000 tons.*

This question should be approached very carefully. Mr. SABINE, of the Boston Board of Trade, had prepared elaborate tables bearing upon the question, and, so far as concerned our government, it must be admitted that great care and deliberation had been used. The author of the pending motion to abrogate the treaty, Mr. MORRILL, had recently made a speech in favor of his motion. In that speech Mr. MORRILL asserts that in the treaty of 1818—the last treaty made defining our right in those fisheries—our Government had weakly surrendered the same. This treaty was negotiated under JAMES MONROE, a statesman of whom it was said, by his distinguished and honored successor in office, JOHN QUINCY ADAMS, that he was “unwearied in searching for the right, patient and courteous in collision of sentiment, sound in his ultimate views, and firm in maintaining them.” It was signed by distinguished American statesmen, ALBERT GALLATIN, RICHARD RUSH, and others. I mention this to show that Mr. MORRILL is not over scrupulous in throwing out imputations upon men and measures when they come in conflict with his views of public policy. Another circumstance worthy of note is that the only Senator who desired his vote recorded

* One, and perhaps the most important privilege we receive, from the provision of the Reciprocity Treaty respecting fisheries, is the right to land on the “coasts and shores” of the Colonies, and dry our nets and cure our fish. Previous to the treaty the disadvantages we labored under were very great. Our fishermen were compelled to go out to the banks in “large vessels fitted at great expense, and with crews averaging nine men to every schooner of ninety tons burden, and extending their voyages for many weeks;” while the colonists could carry on their fishing entirely in small boats with perhaps not more than two men in each, who returned to their shores at the close of each day’s work, and landed, and cured their fish. Then, too, when our fishermen’s vessel was full, he must return to the port from whence he started, unload, clean and refit his vessel for the balance of the season, thus losing, perhaps, two weeks of very valuable time. In consequence of such unequal privileges, we could not, of course, successfully compete with the Canadians, either in our own or foreign markets. The Treaty changed all this by giving us the right to land and cure our fish, &c., a right which our fishermen will not willingly give up.—ED. HUNT’S MERCHANTS’ MAGAZINE.

against that treaty was Mr. Poor, of Vermont, and now the motion to abrogate it, comes from a member of the House from the same State. It is a little singular that Vermont, a State not particularly noted as an agricultural region, and not having so great an interest in the treaty as some other States, should be foremost in declaring hostility to it. He was glad to believe that Mr. MORRILL did not represent the views of the administration. Before another session of Congress, the time transpires when notice may be given for the abrogation of the treaty, yet the President has never intimated that he believed its workings were prejudicial to the best interests of the country, as it was clearly his duty to do, if such were his convictions. Nor had Mr. CHASE made any allusion to it. I am happy, therefore, to believe that the administration are not disposed to support the policy of Mr. MORRILL. The speech of the latter gentleman breathes ill will and war. He begins by attacking the treaty of 1818, a treaty which cemented the United States and Great Britain together in peace and good will, and believes we ought to fall back on the treaty of 1783. If we listen to his advice, and disregard the treaty of 1818, the next move will be to abrogate the principles of international law. In fact, he plainly tells us the time is coming when nations will no longer be allowed to map out the ocean, and fisheries will be free to all the world.

The second article of the treaty secures to the people of the United States the navigation of the canals of Canada and the River St. Lawrence upon the same terms as those privileges are enjoyed by the people of Great Britain. Mr. MORRILL, in his speech on the subject, says that if we used these privileges, they might be of some advantage to us, but for the first six years succeeding the treaty, only forty craft of small tonnage, passed out to the ocean, thus seeking to create the impression that the trade is only a very small affair. Let me say that he is under the mark here. Up to 1861, according to the *Detroit Tribune* of that year (the exact date not remembered) sixty barks, brigs, schooners and propellers had passed down from the lakes to the ocean, only three of them Canadian vessels, and of the whole number, only two, up to that time, had been wrecked. Mr. MORRILL leaves this part of the treaty, with which the maritime interests of the great Northwest, present and prospective, are so intimately blended, with this one sided statement.

Mr. HAWLEY proceeded to give official statements and statistics showing the extent of our commerce that passed the Welland Canal. This outlet was, according to these statements, of vast importance to the great West, and to New York. It is due to our great lake cities, and their growing trade, that we secure as direct communication with Europe as possible. He had perused a carefully prepared article embodied in a report, made two or three years since by the Secretary of this Board, in which it was urged that the most profitable communication between the lake ports and Europe must be direct and *via* the St. Lawrence river. It is estimated in that report that a line of screw steamers might be profitably maintained between Detroit and the ports of Great Britain, and that a net gain of fifteen thousand dollars might be realized from each trip. He (Mr. HAWLEY,) did not think this estimate too high. He was casually informed by the master of a sail vessel that had made the round trip across the ocean, taking out to Europe a cargo of wheat, and returning with crockery, that ten thousand dollars had been realized, and the venture was every way prosperous. Only thirty-one days was consumed on the voyage from Detroit to Liverpool, and thirty-seven on the return trip until he reached the docks of Cleveland. This Captain speaks with entire confidence of the feasibility of prosecuting this trade, and, indeed, we have at this day a line of vessels advertised in our daily papers, making Detroit their headquarters, already composed of six vessels, to which others are to be added. Mr. President, when we remember the interest which this trade attracted in its infancy, when only an occasional vessel left the great lakes for Europe, and consider its gradual growth, ought we to be prepared, without special and weighty reasons, to give it up?

We come now to the main provisions of the treaty. Mr. MORRILL states that, before the treaty was instituted, the balance of trade was greatly in our favor,

but since then it is against us, thus subverting the ancient and well defined laws of the trade. If this be correct, it would certainly be questionable whether the advantages we enjoy would justify us in maintaining commercial relations upon the present basis. But we have tables that prove conclusively the exact reverse of this assertion. In 1853 the balance in our favor was less than \$3,000,000. In 1852—the last year for which we have full tables—it had more than doubled, amounting to fully \$7,500,000. Thus we have more than doubled our balance of trade, and more than doubled the amount we have sold to Canada. In the report of the Secretary of the Treasury to Congress for the fiscal year of 1863, he makes the balance in our favor a little under \$6,000,000. He says it appears that the domestic products and manufactures exported to Canada under the treaty for the fiscal year ending June, 1863, amounted to about eighteen millions, five hundred thousand dollars. The imports from Canada, for the same period, were twelve millions, eighteen hundred and seven thousand dollars. Mr. MORRILL reiterates the assertion that Canada sells to us under the treaty, but she refuses to buy of us. In the face of this reckless assertion, we have the statement authoritatively made, that for the eight years beginning with 1855, and ending with 1862, inclusive, the whole balance in our favor amounted to the handsome sum of \$36,228,236!

The trade between Detroit and Canada is large. I have the returns of goods received at Windsor, in 1855, from our side. In that year, there was received at that port dutiable goods from this side to the amount of \$113,053. In 1860, notwithstanding the increased duties under the Canadian tariff, the dutiable goods amounted to \$180,307, showing a large gain. It is true that since 1860 there has been a large decline in the amount of dutiable goods purchased on this side, but this is owing to the great advance made by our tariff, the scale of duties having been raised twice since that year. Our neighbors, therefore, cannot trade with us on the same terms as they can with Lower Canada. Upper Canada prefers to trade with us, and did so before these late advances.

Many of us have misapprehended the object and spirit of the Canadian tariff. Some of our people have asserted that it was enacted in bad faith—that by their tariff of 1858, they sought to take an unfair advantage. Undoubtedly it was disadvantageous to us, and we lost considerable by it. The Canadians say, and probably with truth, that the necessity for the course they took was imperative, in order to provide means to liquidate the interest on their public debt. They also hoped, in this connection, to make a move towards fostering domestic manufactures. Jackson like, they adhere to a tariff for revenue, and, incidentally, for protection. But their tariff is not so onerous as many seem to suppose. The duty is only seven and a half per cent *ad valorem*, higher than it was in 1854—while at the same time many articles upon which a duty of two and a half per cent had previously been imposed, were placed upon the free list, thus benefiting many branches of our domestic industry. Salt is one of these articles. We all know that Michigan is immensely interested in the salt manufacture. In one year, 1862, salt was shipped to Canada amounting to \$269,000. This is certainly a very important trade, and is destined to become still more so. The article has a cheap and ready transit across the lake to Goderich, where it takes the cars of the Buffalo and Lake Huron railway, and by reason of its connections at Stratford with the Grand Trunk, and at Paris with the Great Western, it finds an easy access to all parts of the Province.

The supposition that Canada has discriminated against us, and in favor of Great Britain, is clearly an error. She has simply placed the two countries on a common platform. Mr. MORRILL would have us believe that Canada has made successive advances in her scale of duties, which is not the case. On the contrary, they have receded, and reduced the rate on some articles to a material extent, and I am credibly informed that the present government have intimated that at the next session of Parliament a further reduction may be expected. The Minister of Finance seems to take a just and liberal view of the matter, taking the ground that high duties do not increase the revenue. For example, a duty of ten per cent on watches and jewelry had brought in a much larger

revenue than that derived from the same source under a tariff of twenty per cent. Permit me to say that, in view of our own exceedingly high tariff, we ought to be moderate in our complaints against our neighbors. Before the rise, our scale of duty was five per cent above theirs. Now there is a still wider difference, and pardon me if I express the conviction that a reduction would work an increase in our revenue. An excessively high tariff is not only a powerful temptation to smuggling, but it leads to all sorts of substitutes for those commodities upon which such tariff is imposed. Take teas and coffees, for example, those articles once in universal use. How much of these articles are now used by the poor? We need not go beyond our own city to demonstrate the injurious tendencies of a high tariff. We once had several refineries, the proprietors of which brought crude oil from Canada, but they were compelled to relinquish their business, thus putting a stop to the prosecution of an important industrial branch in our midst.

Our largest furniture manufacturer states that, while he sells liberally to the Canadians, notwithstanding their twenty per cent duty, that he has been deprived of the benefits accruing to his business, from the importation of walnut veneers from Canada. It appears that they have there a beautiful wood, and the requisite machinery for taking the veneers directly from the trees, and that he enjoyed a large trade with them in this, one of their articles of domestic manufacture, until the MORRILL tariff came with its thirty-five per cent *ad valorem* duty and cut it off.

A proprietor of one of our large paper hanging establishments informs me that owing to the high duty our tariff levies upon French paper they have entirely discontinued dealing in it. Do we need any other facts to stamp the MORRILL tariff as one that is largely prohibitory; if so let it be noted that salt, from having in the previous bill paid a duty of four cents per bushel, is now subject to a duty of from 18 to 24 per cent.

And the Holy Scriptures, which are free in the Canadian tariff, which Mr. HOWARD calls a high one, pay a duty in our own of twenty per cent. How strangely the policy that Mr. MORRILL and his coadjutors would bind upon us, contrasts with that pursued by the leading nations of Europe. While they are bursting the fetters imposed upon commerce in a bygone age, we are asked to repeal the only earnest that we have of a brighter commercial day for these United States. England has not only repealed her corn law, and thus invited our agriculturists to a generous competition with her own farmers in bread-stuffs; but she is carrying on this work of reform; and hops, now a large article of export, are placed upon the free list. Besides, by virtue of a commercial treaty, or reciprocal legislation, France and Great Britain have brought down their tariffs upon their respective manufactures, to an approximation to perfect free trade. We live in a day when we are called upon to assist in settling this as well as other great questions of public policy. And in doing so we will cherish the hope that we shall be guided by an enlightened self-interest, ever remembering that what is true of individual life is equally true of national life, that while there is "that which withholdeth more than is meet and that tendeth to poverty, there is that which scattereth around and yet increaseth."

The speaker next produced statistics to show that Canada drew large balances from Great Britain, which she had to pay to the United States. He had conversed with many of our merchants, who considered themselves benefited by the operations of the treaty. An objection had been urged, that the white wheat flour sent from the west meets with a rival in the Canadian product; but we are more than compensated in the amount of our red wheat flour sold to Canada. In 1862, we sold them flour to the value of \$1,000,000, besides wheat to the value of \$4,000,000.

The speaker referred to some remarks of Mr. MORRILL, wherein he sought to magnify the New England at the expense of the foreign market. Mr. MORRILL had stated that "Europe presented no opening for United States or Canada productions except in seasons of deficiency, and the Northern and Eastern States present the only reliable markets for Canada, as well as for the West." Mr.

HAWLEY proceeded to combat this assertion by presenting an array of figures exhibiting the amount of breadstuffs sent from the United States to Great Britain for a series of years, proving the exports of that article to have been very heavy.

Mr. MORRILL states that in 1858 and 1859 our exports of wheat and flour to England were only \$1,736,152. Whereas our own trade and navigation reports show that for one of these years, 1858, they were \$9,911,498. I have not access to our returns for 1859, but let this suffice to show how little credence should be given to statements of facts contained in that gentleman's speech. It appears that our entire domestic exports to England for this same year, were \$151,573,714, of which \$115,673,958 were shipped in American vessels. From the same authority we learn that we exported to Canada in the year 1858, wheat and flour to the value of \$3,763,720, being \$98,000 more than Canada sold to us in both 1858 and 1859.

Mr. MORRILL mourns that the people of his section had extended to the Grand Trunk Railway the right of way to Portland, thereby securing the company a line of intercommunication extending from Detroit to the seaboard. He claimed that Mr. MORRILL did not represent the wishes and feelings of that section of country. As they had previously granted the right of way to the Atlantic and St. Lawrence railway which had penetrated their territory, thus enabling them to see something of the British Lion, and though they may not have heard his roar, they had seen him shake his mane and paw the ground, but he had no terrors for them. They rather bailed these international courtesies and fraternal manifestations as the faint harbingers of that day of glory described in Isaiah, xi. and 6th, "The wolf also shall dwell with the lamb, and the leopard shall lie down with the kid; and the calf and the young lion, and the fatling together; and a little child shall lead them."

When a large delegation of this Board visited Portland last summer, did they hear any of the lamentations exhibited on the part of Mr. MORRILL? If this system of intercommunication did not exist, would we see the bustle and life in Detroit that we now witness? A large share of this trade would pass to the seaboard *via* the south shore of Lake Erie, and never come near our city. We all remember the joy occasioned by the completion of the Great Western Railway. Since then we have gone on in the same spirit, never doubting that we were traveling on the road that leads to prosperity and greatness. The Grand Trunk had not only knocked at our doors, but had actually walked in without any financial assistance from us. The diversified and increasing products of the teeming West require every accessible facility to enable them to reach the seaboard, and even then they are sometimes inadequate. In some cases, as high as twenty-five cents a bushel had been paid for transportation between Chicago and Buffalo.

But Mr. MORRILL says that as we do not allow foreign vessels to share our coasting trade, that we must not allow Canada Railways to participate in our carrying trade, no matter if we do save one hundred miles in distance between Detroit and Buffalo, or if the agriculturalists of the far West should have to suffer an additional loss of ten or twenty cents a bushel upon their wheat, this whole policy must be broken up.

As to the constitutional objection of the learned and able speaker yesterday, (Mr. HOWARD) he thought we were not sitting as a court to determine that point, but it seemed obvious that if Mr. MORRILL, and those acting with him, believed the treaty unconstitutional, they would at once appeal to the Supreme Court. The Constitution says that all measures for raising revenue must originate in the House of Representatives, but this is not a measure for raising revenue; it is a treaty of amity and commerce.

He referred to the argument of Mr. HOWARD, that if this treaty remained in force, other nations with whom we have treaties would have a right to demand the same terms. This point will not bear scrutiny. If you can find another nation possessing the power to extend the same privileges as those we enjoy from Canada, we should then have a parallel case. What country can furnish

us an outlet for our products to the coast? What nation can grant us the other privileges secured to us by this treaty? Mr. HOWARD has told us that it originated with those in the interest of the South. This is denied; it is understood that the measure originated with the commercial men of New York and New England, but in either case the merits of the question are not affected. If it works well for us we will not reject it from such considerations. We should

"Seize upon truth wherever found,
On Northern or on Southern ground."

We may give Mr. HOWARD credit for sincerity in his belief that the South engineered this measure through for the purpose of keeping Canada out of the Union, but this supposition is contrary to all experience. We certainly do not make a practice of granting privileges and favors for the purpose of driving the recipients from us.

In conclusion, I have only to request that this Board will endeavor to arrive at such a conclusion in the premises as is demanded by the best interests of our city, our State, and the country at large.

LEGAL-TENDER NOTES.—HAS CONGRESS THE POWER TO MAKE NOTES A LEGAL-TENDER?

OPINION OF JUDGE SHARSWOOD, OF PENNSYLVANIA.

We have published in previous numbers of the *MERCHANTS' MAGAZINE* the opinions of Judges of the Supreme Court and Court of Appeals of New York State, on both sides of this important question. Until the United States Court decides the point at issue, every well digested opinion whatever view it takes is valuable. In fact as merchants and bankers we need all the light we can obtain on this question, that we may know how to shape our course. If there is no doubt as to the power of Congress, the weakness of the opposite view is best shown by the opinions of those who support that opposition; if there is doubt, we all want to know it, that we may be prepared for whatever view finally prevails. Our own opinion we have never expressed in these pages, for the reason that the question is in the hands of the Courts, and what any individual may think is of no importance. We only desire that our readers should judge for themselves after reading the arguments of men learned in the law, and who have conscientiously, as we must suppose, reached opposite conclusions. The opinion of Judge SHARSWOOD, of Pennsylvania, which we give below, as been handed us with the request that we publish it—our readers will find it a passionless and carefully prepared judicial document. It has elicited much attention not only in his own State, but throughout the country, and we therefore gladly make room for it. The case in which it was delivered was decided about the first of March last by the District Court in Philadelphia, and arose out of the fact of the defendant's offering legal-tender notes in payment of a mortgage which the plaintiff refused to receive. In an action on the mortgage by the plaintiff the defendant's plea was this tender, and thus the constitutionality of this provision of the act came in question. The Court held that the act was constitutional, but Judge SHARSWOOD dissented believing the legal tender clause was unconstitutional. We have not the opinions of the other Judges, but shall hope to give them

hereafter. For the present we would refer such of our readers as wish to compare the arguments of those reaching the opposite conclusion, to the July number of 1863, page thirty-eight, and the January number of 1864, page sixty, of the *MERCHANTS' MAGAZINE*. The following is the opinion of Judge SHARSWOOD :

OPINION OF JUDGE SHARSWOOD.

If any point may be considered as well settled it is, that the Constitution of the United States is a special grant of delegation of limited powers to the Federal Government. "It has been truly said," observes C. J. MARSHALL in the United States *vs. FISHER* (2 Cranch, 212,) "that under a Constitution conferring specific powers, the power contended for must be granted or it cannot be exercised." The same thing has been affirmed by Mr. Justice STORY in *MARTIN vs. HUNTER's Lessee* (1 Wheat. 326.) "The Government of the United States can claim no powers, which are not granted to it by the Constitution, and the powers actually granted, must be such as are expressly given, or given by necessary implication." And not to multiply citations—on so clear a principle—again by C. J. MARSHALL in *McCULLOUGH vs. the State of Maryland*, (4 Wheat. 405.) "This Government is acknowledged by all to be one of enumerated powers. The principle that it can exercise only the powers granted to it, would seem too apparent to have required to be enforced by all those arguments, which it's enlightened friends, while it was depending before the people, found it necessary to urge. *That principle is now universally admitted.*"

It follows that to sustain the constitutionality of an act of Congress—to determine that it is a law—an authority for it must be affirmatively shown. That authority must exist in the Constitution in express words or the act must appear to be necessary and proper for carrying into execution some power or powers vested in Congress, in the Government of the United States, or in some department or officer thereof.

By this rule we are now to decide, whether that clause of the act of Congress approved February 25, 1862, entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," which provides that the notes issued in pursuance of that act "shall be lawful money, and a legal-tender in payment of all debts public and private"—is or is not a law of the land.

The counsel of the defendant—recognizing that on him rested the burden of maintaining the affirmative of this issue—claimed that the provision referred to was an exercise of authority vested in Congress under one or other of the following clauses of the enumeration in Section 8 of Article 1 :

Paragraph II.—To borrow money on the credit of the United States.

Paragraph III.—To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

Paragraph V.—To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures :

Paragraph XVIII.—To make all laws, which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.

I propose to examine these clauses with such other parts of the Constitution as have been supposed in the course of the argument to illustrate them. I feel some degree of confidence, not only from the well-known ability, learning and research of the counsel for the defendant, but from my own investigations, that if the act of Congress in question cannot be sustained on either of these clauses, it cannot be sustained at all.

I will begin with the last paragraph of the enumeration, because its proper construction has an important bearing on the others : Par. 18. "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers." I will not here revert to political and controverted grounds, nor to the

arguments, by which in the *Federalist*, No. 44, and elsewhere, the objections of the enemies of the Constitution to the sweeping words of this clause, were met and answered by "its enlightened friends." I mean to take exclusively as my guide the principles judicially settled by the Supreme Court of the United States in the leading case of *McCULLOUGH vs. the State of Maryland*, (4 Wheat. 316.) The rule established in that case is well expressed by the reporter in the syllabus. If the end be legitimate, and within the scope of the Constitution, all the means which are appropriate, which are plainly adapted to that end, and which are not prohibited, may constitutionally be employed to carry it into effect. Let us recur, however, to the very words of the opinion as delivered by C. J. MARSHALL. "We think the sound construction of the Constitution must allow to the National Legislature that discretion, with respect to the means, by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, and which are not prohibited, but consist with the letter and spirit of the Constitution, are Constitutional." P. 421.

This is certainly a very large charter to the discretion of Congress, yet as a rule for judicial cases, I am willing to accept it. It is apparent, however, from the very terms in which the principle is enunciated, that this discretion is not without limits.

It is not Congress which is to be the final judge as to whether a measure is necessary and proper for carrying into effect any of the delegated powers. Were it so, the enumeration would have been a vain and delusive mockery, and the fundamental principle that the Federal Government is one merely of limited authority, an unmeaning formula of words.

The limits plainly set in this language are these: 1. The end must be legitimate and within the scope of the Constitution: 2. The means must be appropriated and adapted to the end: 3. The means must not themselves be prohibited, but consist with the letter and spirit of the Constitution.

There is, however, another limitation upon the discretion of Congress in the choice of necessary and proper means. It is clearly stated in *McCULLOUGH vs. the State of Maryland*, and indeed the principle of it may be considered to have ruled that case. I quote again the very words of the opinion.

"The power of creating a corporation, though appertaining to sovereignty, is not like the powers of making war or levying taxes, or of regulating commerce, a great substantive and independent power, *which cannot be implied* as incidental to other powers, or used as a means of executing them." (4 Wheat. 411.)

I understand the Supreme Court in this language to lay down the simple and reasonable—I might, perhaps, say the self-evident proposition, that no one enumerated power can be incidental to another enumerated power. Three cases are stated as examples of substantive powers, but clearly only as examples. We have no right to say that any one of the express powers is more substantive and independent than another. Their very expression authoritatively stamps their character. If, therefore, a power is delegated, but in terms which import a limitation or qualification, it cannot be exercised as incidental to some other power, disregarding the limitation or qualification annexed to the express grant. Indeed, such limitation or qualification may be considered as a prohibition against the exercise of that power in any other way, and, therefore, within the limit which the Supreme Court places upon the discretion of Congress in the enunciation of the general principle; viz: that Congress cannot employ a measure, however necessary and proper it may be for carrying into effect some express power, if that measure has been prohibited.

I pass now to the consideration of those grants from which, by the aid of the last paragraph of the enumeration, it is contended that Congress have authority to issue what this act calls "United States Notes," and to make them a legal-tender in payment of all debts, public and private.

I. "To regulate commerce with foreign nations and among the several States and with the Indian tribes." Art. 1; sec. 8; par. 3.

It must be admitted that standards of value and of weights and measures are means very appropriate and adapted to the regulation of commerce. But then we have in this enumeration a clause which expressly grants and defines the authority to create such standards. If it directs of what they shall consist, Congress cannot make another kind as incidental to the regulation of Commerce.

With equal plausibility might it be pretended that, for the regulation of commerce, Congress could lay duties, imposts and excises, and pass bankrupt laws. Such measures might be very appropriate and adapted to that end. Yet surely it will not be maintained that assuming these powers as incidental, Congress could disregard the rule of uniformity, which limits and qualifies the express delegation of them. This qualification is, in fact, a prohibition of any duties, imports or excises, which shall not be uniform throughout the United States—of any laws on the subject of bankruptcies which shall not, in like manner, be uniform throughout the United States. (Art. 1; sec. 8; par. 4.) These cases present a perfect illustration of the soundness of the limit to the discretion of Congress, prescribed by the Supreme Court, that a substantive power shall not be exercised as incidental. I do not, however, consider them as any more perfect than the very case before us. If the power to create a standard of value and medium of exchange is expressly delegated, but confined by its terms, as we will presently see that is, to coins—foreign or domestic—it is a prohibition of any other kind of money. Congress cannot under the pretext of regulating commerce, infringe the prohibition thus laid on them.

II. "To borrow money on the credit of the United States." (Art. 1; sec. 8; par. 2.)

It has been argued that under this clause Congress may issue these "United States notes," because they are only acknowledgments of debt in a negotiable form, and in order to give them greater credit make them a legal-tender. That there may be constitutionally issued to the public creditor certificates of the amount due, transferrable by assignment—or bonds or notes payable to bearer, which can pass from hand to hand by mere delivery—I do not deny. These are all securities, and Congress is vested expressly with power "to provide for the punishment of counterfeiting the securities and current coin of the United States." (Art. 1; sec. 8; par. 6.) This language is accurate. Securities *ex vi termini* are something different from money. This view is strengthened when we find the coin described in the same paragraph as *current coin*.

These United States' notes are not securities for money which may be issued under the authority to borrow, but they are "bills of credit"—things distinct and different from securities. That there is such a distinction may be clearly shown by the judgments of the highest tribunal, which gives the law on these subjects to all other courts. According to that tribunal, bills of credit are not certificates of loan—not Treasury bonds or notes—not acknowledgments of indebtedness, all of which are mere securities—but bills invested with the functions of money—just such bills as the United States notes issued in pursuance of the act of Congress in question. In *CRAIG vs. the State of Missouri* (4 Peters 431,) C. J. MARSHALL, in delivering the opinion of the Court, says: "In its enlarged and perhaps literal sense the term 'bill of credit' may comprehend any instrument, by which a State engages to pay money at a future day; thus including a certificate given for money borrowed. But the language of the Constitution itself, and the mischief to be prevented, which we know from the history of our country, equally limit the interpretation of the term. The word 'emit' is never employed in describing those contracts by which a State binds itself to pay money at a future day for services actually received or for money borrowed for present use; nor are instruments executed for such purposes in common language denominated 'bills of credit.' To 'emit bills of credit' conveys to the mind the idea of issuing paper intended to circulate through the community for its ordinary purposes as money, which paper is redeemable at a future day. This is the sense in which the terms have

always been understood." The definition here given was subsequently re-considered and sustained in *Brisson vs. the Bank of Kentucky* (II PETERS, 257.)

According to this clear and authoritative exposition, what distinguishes bills of credit from such securities as are issued to the public creditor is that the former are, and the latter are not, intended to circulate as money. These United States' notes, then, are not acknowledgments of debt nor "securities of the United States," but "bills of credit"—in other words—"money." Indeed, this act of Congress of February 25, 1862, intends to leave no doubt on that point, for it expressly declares that they shall be "lawful money." In conformity, then, to the principle, as settled by the Supreme Court in *McCULLOUGH vs. the State of Maryland*, we must turn to the money clause to ascertain whether Congress had authority to make them "lawful money." That body cannot, as incidental to the power to borrow, create any kind of money, which will not stand the test of the express power, which is granted on that subject.

If any doubt remains as to whether the right to emit bills of credit—to make paper money—can be exercised as incidental to the borrowing power, it ought, as it appears to me, to be entirely dissipated by the proceedings of the Federal Convention when this clause was before them. I freely submit that the opinions expressed in that body are not conclusive upon the interpretation of the Constitution. That instrument is to be construed like all others—by its four corners. But surely as C. J. MARSHALL relied "on the history of our country" in limiting the meaning of the words "bills of credit," we may resort for light to the opinions and votes of the men who framed the Constitution, in deciding whether in the words "to borrow money" was intended to be included "to emit bills of credit," for that is the precise question we have here to consider.

By the ninth of the old articles of confederation, section 5, it was declared that "the United States in Congress assembled, shall have authority to borrow money or emit bills on the credit of the United States." In the plan of the Constitution as reported to the Convention by the Committee of detail, of which Mr. RUTLEDGE was chairman—this clause was copied: "to borrow money and emit bills on the credit of the United States." On the 17th of August, 1787, in convention Mr. GOUVERNEUR MORRIS, of Pennsylvania, moved to strike out the words "and emit bills." There was a debate on this motion, which is reported by Mr. MADISON. It was argued by some, and Mr. MADISON himself among the number, that the words had better remain with a provision prohibiting them from being made a legal-tender. Mr. JAMES WILSON, of Pennsylvania, afterwards one of the Justices of the Supreme Court of the United States appointed by President WASHINGTON, contended that it would have a most salutary influence on the credit of the United States "to remove the possibility of paper money." Other members who spoke, concurred with him in this view. The motion was carried, and the words stricken out by a vote of nine States to two. Mr. MADISON has added in a foot note, that the vote by Virginia in the affirmative was occasioned by his acquiescence, because he became satisfied that striking out the words would not disable the Government from the use of public notes, as far as they could be safe and proper, and would only cut off the pretext of a paper currency, and particularly for making the bills a tender either for public or private debts. (5 Elliott's Debates, 434, 435.) I do not know how these proceedings may strike other minds, but they have convinced me that the Federal Convention understood by "bills of credit," not securities—certificates of loan or indebtedness—Treasury notes—or Exchequer bills—but just, what Chief Justice MARSHALL afterwards defined them to be "paper money" and meant to deny to Congress the power to make such money.

LUTHER MARTIN, in his address to the Maryland Legislature in justification of his course in retiring from the Federal Convention, has also given a brief sketch of this interesting debate, which corresponds in the main with that of Mr. MADISON. He declares in the most emphatic manner that "a majority of the Convention being willing to risk any political evil rather than admit the idea of a paper emission in any possible case, refused to trust this authority to the Government." (Secret Proceedings of the Federal Convention, p. 57.) He afterwards informs

the Legislature, as indicative of the temper of the body, from which he had withdrawn, that as the Constitution "was reported by the committee of detail, the States were only prohibited from emitting them (bills of credit) *without the consent of Congress*; but the convention were so smitten *with the paper money dread*, that they insisted that the prohibition should be absolute." "It was my opinion, sir," he proceeds to say "that the States ought not to be totally deprived of the right to emit bills of credit, and that as we had not given an authority to the general government for that purpose, it was the more necessary to retain it in the States."

The members of the Federal Convention truly represented the views and feelings of the people of the States, by whom they had been chosen. No one acquainted with the history of the Revolution can be surprised at the extreme jealousy entertained of investing either the Federal or State Governments, or even both, by joint action with any discretion on this subject. It is plain that the men who framed the Constitution—the men who ratified it in the State Conventions—the great mass of their constituents, meant nothing less than to exclude forever, in *any possible case*—(Mr. MARTIN)—*the possibility of paper money*, (Mr. WILSON). The public faith again and again solemnly pledged, for the redemption of the Continental bills of credit had been shamefully violated. The tender laws of the States, enacted at the urgent solicitation of Congress, for the purpose of sustaining their credit, had utterly failed. The amount of private wrong thereby inflicted on individuals and families was incalculable. Congress in a circular address in 1779—after promising solemnly that the amount of the bills should on no account exceed \$200,000,000—indignantly repelled the idea that there could be any violation of the public faith, or that there did not exist ample funds to redeem them. The emission, however, very soon after swelled to \$379,000,000, and having ceased to circulate, quietly died in the hands of its possessors. (3 Story in the Const. 223-224). No financiering was found so easy—so attractive—and at the same time so delusive and destructive as that of resorting to paper money. "Who," said a member of the Revolutionary Congress in debate, "will consent to load his constituents with taxes, when we can send to our printer and get a wagon-load of money, and pay for the whole with a quire of paper." (Breck's History of Continental Money, p. 13.) Well, said Mr. Read, of Delaware, in the Federal Convention, that such a power would stamp the Constitution with "the mark of the beast in Revelations;" and Mr. LANGDON, of New Hampshire, only expressed the feelings of the entire country when he declared that he would rather reject the whole plan than retain the three words "and emit bills." It requires but a slight knowledge of the times to conclude that if these three words had been retained, or had it been imagined that, though stricken out, as by comparing the new with the old system everybody could see that they were, they still lurked in the instrument as incidental to some other power, the Federal Constitution would never have been ratified by nine States. In the discussions and publications, which followed on the promulgation of the plan, before proceeding to vote on it in the State Conventions, as well as in the debates of those bodies so far as they have been preserved and handed down to us, though every hole and corner of the instrument was ransacked to find objections. I am not aware that it was ever suggested that it might possibly contain so odious and unpopular a power. The voice of the instrument itself appeared sufficiently marked and unmistakable.

III. I now come to consider the remaining clause, which has been relied on as the source of authority to pass the act in question. "To coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures." (Art. 1, sec. 8, par. 5.) It is evident, not merely from the words, but from their juxtaposition with the clause for fixing a standard of weights and measures, that the Constitution intends that the money of the United States shall be not merely a medium of exchange, but a *standard of value*. Uniformity and stability were the ends in view, and for this reason those powers were vested exclusively in the Federal Government. Here, and here alone, and not as a mere incident to something else, are we to look for whatever authority Congress pos-

issues over the subject of money. These words seem to me to sanction only coins or metallic money. In the *Federalist*, No. 42, this is taken for granted. "All that need be remarked on the power to coin money, regulate the value thereof, and of foreign coin, is that by providing for this last case, the Constitution has supplied a material omission in the articles of confederation. The authority of the existing Congress is restrained to the regulation of coin struck by their own authority, or that of the respective States. It must be seen at once that the proposed uniformity in the value of the current coin might be destroyed by subjecting that of foreign coin to the different regulations of the different States." Judge Story thought so, for he says: "The power to coin money is one of the ordinary prerogatives of sovereignty, and is almost universally exercised, in order to preserve a proper circulation of good coin of a known value in the home market." (3. Story on the Const., 17) But the Supreme Court of the United States have not left this to inference, but have distinctly declared the same opinion in the *United States vs. Marigold* (9 Howard, 560), in which an Act of Congress, punishing the offence of importing spurious coin, was held to be constitutional, on the ground that the provisions of the act appertained, to use the very words of the opinion, "to the execution of an important trust invested by the Constitution, and to the obligation to fulfill that trust on the part of the government, namely, the trust and the duty of creating and maintaining a uniform and pure metallic standard of value throughout the Union. The power of coining money and of regulating its value, was delegated to Congress by the Constitution, for the very purpose as assigned by the framers of that instrument, of creating and preserving the uniformity and purity of such a standard of value."

The word *coin* is one of well settled meaning. The primary sense of the noun, according to Dr. Webster, is "the dye used for stamping money," and the undisputed signification of the verb, according to most, if not all, the lexicographers, is "to stamp metal and convert it into coin." In Wharton's *Law Lexicon* (*ad verbum*), it is said: "Strictly speaking, coin differs from money as the species differs from the genus. Money is any matter, whether metal, paper, beads, shells, &c., which has currency as a medium in commerce. Coin is a particular species, always made of metal, and struck according to a certain process called coining." It was urged at the bar—I do not know whether seriously or not—that printing is stamping, and these notes might, therefore, literally, be said to be coined. No such use of the word in any author has been shown. We may say, figuratively, to coin a story, meaning to invent one, but never to coin the book in which it is printed. The story is a fiction—the coinage of the brain—the book, a reality. Surely, however, no one will contend, in earnest, that if a sufficient number of clerks had been employed, and these notes had all been written with the hand, they would have been unconstitutional, but that printing them makes them valid. To state the case thus is to reduce the argument to an absurdity.

It may seem like laboring unnecessarily to substantiate a very plain proposition, but I will hazard some further illustrations.

The notes in question draw a plain distinction on their face between themselves and coins. They promise to pay *dollars*. What is a *dollar*? To a similar question—what is a pound? Sir ROBERT PEELE answered: "A pound is a definite quantity of gold, with a mark upon it to determine its weight and fineness." Many pages have been written to controvert this definition, and to prove that a pound is a mere abstraction—something like a mathematical point without length, breadth, or thickness. But common sense, I think, vindicates Sir ROBERT PEELE. A standard measure must be some actual length or capacity—a standard weight some actual weight. How else can other weights and measures be compared with it? This is the object of a standard. So a standard of value must be some actual value. I would say, drawing the definition from the statute book—I know not where else to look for it—a dollar is a silver coin, weighing four hundred and twelve and one-half grains, or a gold coin, weighing twenty-five and four-fifths grains, of nineteenth pure to one-tenth alloy of each metal. These notes, then, promise to pay coins. To say that they are themselves coins is to make the promise and performance identical.

As they do not state on their face when they are to be paid, in law, if issued by an individual or corporation, they would be payable on demand. WHITLOCK vs. UNDERWOOD, (3 B. & C. 187), Story on notes, ¶ 29. Payable in what? In themselves, if they are coins or dollars. They are promises to pay on demand, payable in promises to pay on demand. A promise to pay may represent coin, and circulate as such. It is properly designated as *currency*, and is one of many modes by which the use of an expensive standard may be spared by the substitution, as a medium of exchange, of public or private credit. It is safe and convenient as well as economical, as long as it truly represents the standard, by being immediately convertible into coin. But, in its very nature, it is not coin. Its value, or power of purchasing other commodities, depends as well upon the confidence of the community in the ability and intention of the issuers to redeem it as upon the amount issued. Coin, on the other hand, possesses present actual, intrinsic value. If you obliterate from the pound weight the public mark, which attests its conformity to the standard, it still weighs the same as before. So you may erase the image from the coin, yet its value remains. Blot out, however, the superscription from these pieces of paper, and nothing remains—they are worthless. The stamp on the coin is, really, nothing but a certificate of the weight and fineness of that piece of metal. Government guarantees nothing but this—makes no contract to deliver corn, wool, or leather in exchange for it. The power of regulating its value can only extend to declaring that, in law, a certain number of one coin shall be deemed the equivalent of another of a different denomination, in contracts and other transactions. In the market unequal values cannot be made equal by law. Congress has no power to enact how many bushels of wheat an eagle shall exchange for, and if they had, and should make the experiment, the act, like all attempts by government to change the laws of value, which are natural laws, would be futile.

The legislation of Congress upon this subject recognizes the difference between these United States notes and coin, and that they are not of equal value.

The act before us (Feb. 25, 1862,) requires duties on imports, and the interest of the public debt to be paid in coin; and provides that the notes "shall be received *the same as coin at their par value*, in payment for any loans that may hereafter be sold or negotiated by the Secretary of the Treasury." So by the act of March 17, 1862, the Secretary of the Treasury is authorized to purchase coin with them at such rates and upon such terms as he may deem most advantageous to the public interest. And the act of March 3, 1863, prohibits the loan of *currency* or money on the security of gold or silver coins, exceeding in amount the *par value of the coin* pledged or deposited as security. By the first of these acts coin is treated as the standard; by the last, paper. The one speaks of the *par value of the notes*, the other the *par value of the coins*.

If the word *coin* has any more general or figurative sense in the phrase, *to coin money* than that I have assigned to it, it must be held to have the same in other parts of the article. In foreign coin will be included foreign paper money, and Congress may regulate its value, and make it a legal-tender. They may thus treat notes of the Bank of England and France, Austrian and Russian government money—but not State bank notes. Congress has no power of regulating the value of any money except foreign coins, and money coined by its own authority. If to coin money mean to stamp paper, then the clause which forbids the States "to emit bills of credit" was unnecessary; the prohibition "to coin monies" included it. The terms of that very prohibition show that in the minds of the makers of the Constitution "to coin money," and "to emit bills of credit" were two entirely distinct and different things. In short, in whatever point of view it is regarded, it seems to me that the position that this clause authorizes or permits any other but metallic money is untenable.

The restrictions on the States illustrate and confirm the opinion which I have expressed upon the proper construction of the paragraph before us. "No State shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts; pass any law impairing the obligation of contracts." (Art. 1, sec. 10.) The whole power over contracts resided in the States before

the ratification of the Federal Constitution. This section admits it, and leaves it there, subject only to two restrictions—both having the same end in view—the inviolability of contracts. Inasmuch as the States cannot coin, and the Federal Government alone can, and inasmuch as the States cannot make anything but gold and silver a tender in payment of debts, it follows that gold or silver coins, foreign or domestic, as regulated by Congress, constitute the only lawful money. This was evidently Mr. Webster's opinion in that able speech on the Specie Circular, which was cited at the bar, and in which he declared "*that gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country; and that neither Congress nor any State has authority to establish any other standard, or to displace this.*" And still, more emphatically: "*most unquestionably, there is, and there can be no legal-tender in this country, under the authority of this government, or any other, but gold and silver. This is a Constitutional principle, perfectly plain, and of the very highest importance.*" The States are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such express prohibition is applied to Congress, yet, as Congress has no power granted to it, but to coin money and to regulate the value thereof, *it clearly has no power to substitute paper or anything else for coin as a tender.* The Constitutional tender is the thing to be preserved, and it ought to be preserved *sacredly, under all circumstances.*" (4 Webster's works, 271, 280.) I must confess, that upon a question of this magnitude—amid the conflict of opinion by which I am surrounded—my mind has rested with confidence and satisfaction upon this clear and decided conclusion of a great intellect. Mr. Webster's fame rests mainly on his eminence as a constitutional lawyer. The Constitution had been the study of his life—the subject of most of his professional and political efforts. He belonged to no school of strict construction, but on all occasions was found earnestly contending for the broadest charter to the Federal Government. The opinions he expressed in his seat in the Senate of the United States, under the sanction of his official oath, are entitled to be received as deliberate and well considered.

With Mr. Webster, I regard these provisions of the Constitution, upon the subjects of contracts and tenders, as "*of the very highest importance,*" and "*to be preserved sacredly under all circumstances.*" They rest upon sanctions, which ought to be considered as of the most inviolable solemnity, at all times and in all emergencies. The true strength of a government—the best foundation on which can rest the confidence and affection of its people—is the security which it guarantees to property. This depends, in this country, upon those constitutional provisions which absolutely protect, under the *Ægis* of the courts of Justice, alike the daily earnings of the poor, and the accumulated savings of the rich man, not only from fraud and violence, but from the government itself, except in the form of open and equal taxation.

It has been strongly urged upon us that Congress has the power of debasing the coin, either in weight or fineness, without changing the denomination or legal value. What it has been asked is the difference between that and issuing paper money; even though that paper should be, at the time, depreciated below the value of coin? I answer, that because Congress may possibly accomplish a certain end by constitutional means, it does not follow that the same object can be attained by means which are not constitutional. Though, by the process of debasing the metallic standard, Congress may, perhaps, reduce all debts, public and private, fifty per cent, it does not follow that they can enact directly that the man who owes one hundred dollars to another, shall be quit upon the tender of fifty. We apply no such principle to other cases. Because, under a power, a man may dispose of an estate, by will, we do not hold that he can do the same in any other way than that directed or prescribed.

But considering it merely as an argument of the intention of the framers of the Constitution, it appears to me equally inconclusive. There are very important differences between debasing the coin and issuing paper money, though their practical results may, in some respects, be similar. It may well have been intended to leave to Congress discretion as to the one, but to deny to either

branch of the Government, State, or Federal, any discretion as to the other.

I. The debasing of the coin as a financial measure, for the purpose of discharging the public debt, would be an open, gross, and palpable breach of faith, scarcely possible in the present age of the world. Changes, however, for the mere purpose of regulating the value of the currency, may be occasionally necessary. "Arbitrary Governments," says ALBERT GALLATIN, "have, at various times, in order to defraud their creditors, debased the coin, whilst they preserved its denomination, and thus subverted the standard of value, by which the payment of public and private debts, and the performance of contracts, ought to have been regulated. This flagrant mode of violating public faith, has been long prescribed by public opinion. Governments have, in modern times, substituted for the same purpose, issues of paper money, gradually increasing in amount and decreasing in value. It was to guard against these evils that the provisions in the Constitution, on that subject, were introduced." (Considerations on the currency, p. 72.)

It is true that the coin has been debased in our own times and country, but never with a view to defraud either public or private creditors. When the coinage of the United States was first regulated, 1792, a double standard, both of gold and silver, was adopted, and the proportion of these two metals fixed at one to fifteen, which was then about their true relation in the market. But though the relation between gold and silver is certainly more steady than that between any two other commodities, at least within short periods of time, yet it is not immutable. Accordingly, about the year 1821, a change was observed to have occurred. An ounce of gold, instead of being worth only fifteen ounces of silver, was really exchangeable for about sixteen ounces. Of course, no one would pay a debt with sixteen ounces of silver, when he could do so with fifteen. The consequence was, that the gold coins disappeared entirely from circulation, in obedience to the invariable law that the metal legally undervalued is always expelled. Silver became, practically, the only standard. The act of June 25, 1834, commonly called the Gold Bill, undertook to restore the true relation. To do this, either the gold coin must be debased, or the silver enhanced. The latter course would have been fraught with more injustice and mischief than the former. Though the true policy may have been to let things alone, or to have established as the only legal, what had, practically, become the actual standard. Yet, many pure and eminent statesmen were then, and still are, wedded to a different policy. Subsequently, by the act of Jan. 18, 1837, the weight and standard of the coin of both metals were slightly changed, with no design but to maintain, if possible, a currency of both gold and silver. Silver, however, being now undervalued, was banished from circulation, as gold had been before. By the act of Feb. 21, 1853, a much more considerable reduction was made in the weight of silver coins less than the dollar, but, evidently, only for the purpose of supplying a subsidiary currency for small payments, for by the same act it was provided that the silver coins issued in conformity thereto, should be legal-tenders, in payment of debts for all sums not exceeding five dollars. I have no doubt that all this tampering with the coin was unwise and unjust. Whatever may be the advantages of a double standard, they are too dearly purchased by the frequently recurring necessity for these changes. But I do not see that there was, in any of these instances, a criminal breach of public faith or an intention to interfere with private contracts. In 1834, the public debt had been then recently liquidated in full, and at the period of none of these measures was anything to be gained by the government from them, but rather the reverse.

II. There is another important difference between the two measures of debasing the coin and of issuing paper money. When an act is passed debasing the coin, all the mischief is done. On the day following the prices of all markets adjust themselves to the new standard. Commodities, real or personal, lands or chattels, are, of exactly the same exchangeable value as before; the only difference being that their value is expressed in different figures. An ounce of gold will still buy the same number of bushels of wheat, whether it is coined into twenty

pieces called dollars, or forty pieces. True, debtors are richer at the expense of their creditors. But that gross injustice also is finished. Every man, creditor or debtor, capitalist or laborer, knows exactly where he stands. Not so with paper money. As to all existing contracts the same, and even worse, injustice is done, if the paper depreciates, than when the coin is debased. All equality is at an end. To-day a man pays at one discount, to-morrow he receives at another. *There is, in truth, no standard of value whatever.* The paper money varies like the mercury in the barometer, acted on by the superincumbent column of air, swayed to and fro by the tides of the atmosphere—now high, now low—now rarefied, now condensed. Thus, as confidence rises or falls, but more certainly as issues are increased or contracted, the value of every man's property—and the real price of his labor, what he can procure for it of the necessities and comforts of life, fluctuates from day to day. This was just what the men of the Revolution, who met in the Federal Convention—who assembled in the State Conventions and ratified the Constitution, had not merely heard with their ears, but seen with their own eyes, touched and handled with their own hands, and felt in their own pockets. They had not the advantage of reading the same history repeated in a more rapid and aggravated form, in the paper money of revolutionary France. But they needed it not. They had quite enough, in their own experience, to make them determine to deal an effectual death blow at paper money.

On the whole, then, I am of opinion that the provision of the act of Congress of Feb. 25, 1862, declaring the notes issued in pursuance of that act to be lawful money and a legal-tender, is unconstitutional.

This renders it unnecessary that I should consider the other question, which has been made as to the effect of the special agreement to pay in lawful silver money of the United States. I am in favor of entering judgment for the plaintiff, but as a majority of the Court are of a different opinion, judgment for the defendant.

COMMERCIAL REGULATIONS.

DECISIONS OF TREASURY DEPARTMENT UNDER THE TARIFF ACT OF JULY 14, 1862.

THE following decisions have been made by the Secretary of the Treasury, of questions arising upon appeals by importers from the decisions of collectors, relating to the proper classification, under the tariff act of July 14, 1862, of certain articles of foreign manufacture and production:

SPIEGEL—(PIG IRON.)

Treasury Department, January 21, 1864.

SIR:—Messrs. AUSTIN, KELLY & Company have appealed from your decision assessing duty, as "Steel in Ingots," at the rate of one three-fourth cents per pound on certain metal, called "Spiegel," imported by them from Liverpool, and claim to enter the article in question as "Pig Iron," at the rate of six dollars per ton, under section seven, of the Act of March, 1861.

The question being one of fact, to be decided by the appraisers, it was referred to them and they report in substance, as follows:

"Spiegel," although presenting externally all the characteristics of "Steel in Ingots," and the "fracture" and specific gravity being similar thereto, is found

upon chemical and other tests to be wanting in many of the peculiarities belonging to Steel; when heated to redness "Spiegel" crumbles readily under the hammer, and possesses no malleability whatever under this process. It would be difficult to designate as "Steel" an article wanting in so marked a manner this characteristic.

"Spiegel" is identical in appearance and character with that found in Franklin, New Jersey, and Woodstock, New Brunswick—the former called "Franklin Pig Iron," and the latter "Manganesian Pig Iron." The Appraisers and Experts are unanimously of the opinion that it must be classified as "Pig Iron"—subject to duty at the rate of six dollars per ton under section seven of the Act of March, 1861.

Under these circumstances I hereby authorize you to adjust the entry of the article in question on the basis of the Appraisers reports, and assess duty at the rate of six dollars per ton. I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

MANUFACTURES OF FLAX—(STYLED SAIL DUCK.)

Treasury Department, January 28, 1864.

SIR:—DAVID LAMB has appealed from your decision assessing duty at the rate of thirty-five per cent *ad valorem* on certain merchandize imported per steamers "Louisiana" and "City of Cork," and claims that said goods should be admitted at thirty per cent as "Sail Duck," and not at thirty-five per cent as "Manufactures of Flax."

The point involved is therefore simply one of fact, to wit: Is the article in question "Sail Duck," or is it not?

The Appraisers report, that it is not the article known or recognized as "Sail Ducks," nor the article intended for vessels sails—being much too wide for strength, and is really intended for tents, cot-bottoms, awnings, &c. The usual width for "Sail Ducks" is twenty-four inches. Mr. LAMB's importations are thirty-three inches—an unsuitable size for sails.

Under section fourteen of the Act of March, 1861, and section ten of the Act of July, 1862, "Manufactures of Flax, or of which flax shall be the component material of chief value, costing over thirty cents per square yard," are subjected to duty at the rate of thirty-five per cent *ad valorem*.

Your decision is hereby affirmed. I am very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

SHIRTS—COMPOSED IN PART OF WOOL.

Treasury Department, February 3, 1864.

SIR:—Messrs. S. HERMANN & Company have appealed from your decision assessing duty at the rate of eighteen cents per pound, and thirty per cent *ad valorem*, on certain "Shirts" imported by them from Liverpool, per ship "Stad Assen."

The appellants claim that wool is not a component material of the article in question, but that "wool waste" is, and that consequently the shirts should be admitted to entry under section twenty-two of the act of March, 1861, and section thirteen of the Act of July 14, 1862, imposing together a duty of thirty-five per cent *ad valorem* upon "Clothing ready made and wearing apparel of every description, of whatever material composed, except wool, made up or manufactured, &c."

The experts of the customs report in substance, as follows:

The sample shirt is composed of wool and cotton, and being wearing apparel, or clothing, is therefore, under existing laws, (section thirteen, Act of March,

1861, and section 9, Act of July, 1862,) subject to a duty of thirty per cent *ad valorem* and eighteen cents per pound.

Your decision is hereby affirmed. I am, very respectfully,

S. P. CHASE, *Sec. of the Treasury.*

To CHARLES JAMES, Esq., *Collector, San Francisco, Cal.*

OLD BRONZE BELL METAL—SO STYLED.

Treasury Department, March 4, 1864.

SIR:—Messrs. NAYLOR & Co. have appealed, under date of February 24, 1864, from your decision assessing a duty of 20 per cent, *ad valorem*, under the classification of "Metal manufactured not otherwise provided for," on 147 pieces of (so styled) "Old Bronze Bell Metal," imported per Steamer "Ballona" from London.

The Appellants "claim the legal right to enter the article in question, free of duty, as 'Old Bell Metal,' provided for under section 23 of the Tariff Act of March 2, 1861—the said article being commercially known as of that description, and as such it should be admitted free of duty."

The clause in the section under which the appellants claim to enter the article in question, is as follows:

"Bells, old, and Bell Metal."

The article imported by Messrs. NAYLOR & Co. is parts of broken cannon, and, as appears by an assay, contains:

Copper,	-	-	-	-	-	-	-	91.20
Tin,	-	-	-	-	-	-	-	6.90
Zinc,	-	-	-	-	-	-	-	1.70
Iron,	-	-	-	-	-	-	-	0.15
Oxygen and trace of Gold and Silver,	-	-	-	-	-	-	-	0.05

100.

This composition differs materially from that known as "Bell Metal," which ordinarily is composed of 78 parts of copper and 22 parts of tin; though it is not unusual to vary, in a slight degree, these proportions, and sometimes to introduce an admixture of other metals.

Any alloy of copper used for the manufacture of cannon cannot strictly be called "Bell Metal."

I infer from your report that although the article has once been manufactured, it is now old and unfit for any other purpose than as a raw material to be re-worked.

Your decision is hereby affirmed. I am very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HIRAN BARNEY, Esq., *Collector, New York.*

MOVEABLE PICTURE BOOKS.

Treasury Department, March 5, 1864.

SIR:—JOHN WILEY has appealed from your decision assessing duty at the rate of 35 per cent, *ad valorem*, as "Manufactures of Paper not otherwise provided for," on certain "Moveable Picture Books, imported by him."

The appellant claims to enter them, as, he alleges, has heretofore been the practice, at 20 per cent. *ad valorem*, under section 8 of the Tariff act of July 14, 1862, which (6th clause) is as follows:

"On books, periodicals, pamphlets, blank books, bound or unbound; and all printed matter, engravings, bound or unbound, illustrated books and papers, &c."

The appraisers report: "Our objection to such classification is that move-

able figures on each page render the article something more than a book, and which might, with great propriety, be classified as a toy."

Samples of the books in question have been submitted to this department for examination, and I am of the opinion they are clearly embraced in the comprehensive language of the clause in the 8th section of the Act of July 14, 1862, above quoted.

Your decision is hereby overruled. I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HIRAM BARNEY, Esq., *Collector, New York.*

PAPER.

Treasury Department, March 12, 1864.

SIR:—Messrs. B. & P. LAWRENCE have appealed from your decision assessing duty at the rate of 35 per cent, *ad valorem*, on certain "Paper" imported per Steamer "Australasian" in January, 1864.

The appellants claim that the article in question being "unsized paper used for printing purposes, and being made in books," is entitled to entry at 20 per cent, under the 5th section of the Act of March 3, 1863, which provides "that in lieu of the duties now imposed by law, there shall be levied and collected upon printing paper unsized, used for books and newspapers exclusively, twenty per cent, *ad valorem*."

The use of the word "exclusively" in this section restricts the operation of it to such paper as is unquestionably fit for and used for books and newspapers.

A sample of the article in question has been submitted to this department. It is very thin paper, and is not the kind used for the printing of "newspapers;" it is unsuitable for such purpose, as it could only receive a proper impression on one side; nor is it used for the printing of "books" of the general class for the diffusion of knowledge.

I am of the opinion it was properly assessed by you under the 13th section of the Act of July 14, 1862, which imposes 35 per cent on "paper hanging, and paper for screens or fire-boards; paper, antiquarian, demy, drawing, elephant, foolscap, imperial, letter, and all other paper, not otherwise provided for."

Your decision is hereby affirmed. I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To HIRAM BARNEY, *Collector, New York.*

DECORATED PARIAN WARE.

Treasury Department, March 19, 1864.

SIR:—Messrs. D. P. IVES & Co. have appealed from your decision assessing duty at the rate of 40 per cent, *ad valorem*, on certain "Decorated Parian Ware," imported by them in the "Bravo," on the 21st January, 1864, and claim "that under existing laws, said goods are only liable to a duty of 35 per cent, because by section 12, Tariff Act of July 12, 1862, the assessed duty of 40 per cent is levied on 'Decorated China and Porcelain Ware,' only."

This department is advised, that the Parian Ware imported by you is a kind of *Porcelain Ware*, differing only from the ordinary ware in being of a finer quality, by the employment of a soft and more fusible felspar in its composition, in place of Cornish stone.

I concur in the opinion, that the article in question is properly classified as "China and Porcelain Ware, ornamented or decorated," at 40 per cent, under section 12 of the Act of July 14, 1862, and your decision is hereby affirmed.

I am, very respectfully,

S. P. CHASE, *Secretary of the Treasury.*

To J. Z. GOODRICH, Esq., *Collector, Boston, Mass.*

THE BOOK TRADE.

Faith and Fancy. By JOHN SAVAGE, author of "*Sybil, a Tragedy.*" New York: JAMES B. KIRKER, 599 Broadway. Washington, D. C.: PHILIP & SOLOMON. 1864.

Over a dozen years ago the *Democratic Review*, reviewing a book of poems by the author of the volume now before us, received the young writer with commendable cordiality, and recognized in him a power which would make itself felt in the future. The same article embodied a hearty testimonial to Mr. SAVAGE's poetical ability from one notably capable of appreciating as well as illustrating the power of song—Miss ALICE CAREY, the distinguished poetess. Since that period, Mr. SAVAGE, though frequently contributing to periodicals, has not appeared in book form as a poet; a fact in itself somewhat remarkable, when we take into consideration the many volumes which have been put forth within the decade having no stronger claims on the public than might justly be set up for the author of "*Washington*," "*At Niagara*," "*Winter Thoughts*," "*The Muster of the North*," and many other pieces embraced in the modest looking little book under notice. Our author's reticence in this respect is the more to be wondered at, as the great success which attended his tragedy of "*Sybil*," in almost every city in the country, would have warranted an earlier selection from his poetical portfolio. However there is no accounting for the whims and vagaries of that class of scribes who come under the head of "*veritable*." Ambition is sometimes of such an over-sensitive nature, as in its yearning for the most perfect means to achieve an ideal, to everlastingly postpone that which it as constantly desires to accomplish. COLERIDGE presents a sad instance of this. Some of his poems lay in his desk for fifteen or sixteen years. CAMPBELL did not glut the market with his verse, yet produced enough to build a lyrical immortality. TENNYSON after his first publication, took many years of self-analysis and thought before he again threw down his guage to the critics. And among our own poets BRYANT and HALLECK are known not so much by the quantity as the quality of their writings. Some poets like WORDSWORTH, BYRON, MOORE, SHELLEY and LONGFELLOW write frequently, much and well and others of not inferior intellect give us their writings, like angel visits, few and far between. It is difficult, without expending more time than the discussion would be worth, to account for the backwardness or forwardness, so to speak, of the one or the other class of poets. Suffice it that Mr. SAVAGE's modesty or tardiness, coupled with the fact that he has himself betimes interested the readers of the *Merchant's Magazine* in articles of a semi-literary and statistical nature as well as the merits of his book, induces us to go somewhat beyond our usual limits in notices of this nature.

Mr. SAVAGE inscribes his volume to the Honorable CHARLES P. DALY, in commendatory and affectionate appreciation of that gentleman's, "generous efforts in behalf of Letters, Science, Humanity and Justice"—and in the dedication lets us into the secret, doubtless, of the influences which inspire himself. He says that every person who writes poetry makes his reader the confidant of his hopes, woes, experiences, or sensations; for he adds "if he aspire at all to transcribe or embody the feelings which evoke or prompt human action, he cannot help writing largely from his own heart's blood, and in the hues it has taken by contact with Men, Faith and Nature." This accounts for the subtle, sensitive, picturesque and passionate character of many of the principle pieces in the work. They bear distinctive marks of being studious and philosophical observations of life, and landscape, of art, men and books, guided and illuminated by that insight which amounts almost to intuition and gives the poetical mind its power over lesser organizations.

The "Muster of the North" has been widely copied and quoted. Taking it, not as an expression of political faith; but as an historical and poetical photograph of what the *COUNT DE GASPARIN* calls the great uprising, it has all the characteristics of the thrilling epoch. It throbs with emotion and commotion from the first line to the last, and sweeps you breathlessly along on its bounding measure. It is difficult to make an extract from it, the atmosphere of concentrated action so surrounds the whole. It is full of scenes for a *DARLEY* to illustrate or an *EASTMAN JOHNSON* to paint.

With various degrees of excellence the poems entitled "The Plant of the Wild Flower," "The God Child of July," "St. Ann's Well," and "At Niagara," not only exhibit a "deep love of nature," but a powerful art in depicting some of its tenderest as well as its most turbulent phases.

"The falls" are treated in an equally forcible manner, the poet's expressiveness changing into that solemn cadence suggested by his feelings.

The longest poem in the book is "Dreaming by Moonlight," a dialogue between two students. Leon, a literary aspirant, and Pictor, an artist. These young men talk on art, poetry, ambition, critics, and the various hopes and longings which fill the hearts and heads of young aspirants in general. It is written in blank verse, and evinces a mastery of this mode which gives us confidence as to the author's powers as a dramatic writer. The poem is philosophic, imaginative and descriptive, and will repay perusal.

We regret that want of space prevents us from giving some extracts, but with the above reference to its merits and contents, recommend the work, which has already gone into a second edition, to all lovers of true poetry.

Rhode Island in the Rebellion. By *EDWIN STONE*, of the First Rhode Island Artillery.

This work consists of a series of letters written in camp and on the battle field, the author being surrounded by the scenes which he so vividly describes. It is more an account of personal experiences, than an historic record of events, and, therefore, possesses a peculiar interest. The author does not, however, altogether confine himself to those facts, of which he was himself an eye-witness; but makes a judicious use of important official documents, to which he was fortunate enough to have free access. His account of the gallant part taken by the brave little State, and its patriotic young Governor, in which he naturally feels an honest pride, will strike a sympathetic cord in the breast of every true Rhode Islander. The appendix gives an historical account of the various Rhode Island regiments and batteries, which cannot fail to be interesting to all who were ever associated with them.

History of the Romans under the Empire. By *CHARLES MERIVALE*, B.D., late Fellow of St. John's College, Cambridge. American Edition. D. APPLETON & Co.

The third volume of the American edition of this most valuable work is now offered to the public. It embraces the period from the assassination of *JULIUS CÆSAR*, to the formal inauguration of the empire under *OCTAVIUS*. The troubles caused by the violent death of *CÆSAR*; the funeral harangue of *ANTONIUS*, which excites the people against the conspirators; the attack made upon *ANTONIUS* by *CICERO*; the victory of the Senatorial party in the two battles before *Mutina*, followed by the two engagements at *Philippi*, which, resulting in disaster to the Republican arms, led to the suicide of *CASSIUS* and *BRUTUS*, are related in a manner exceedingly graphic and interesting. The policy of *OCTAVIUS*, with regard to Egypt, and the self-destruction of *CLEOPATRA*, after her vain attempt to ensnare him, are well narrated. But what renders this volume peculiarly attractive, is the fact that it treats of that period in the history of Rome, which is coeval with the commencement of Christianity. When *AUGUSTUS* was holding the reigns of government in the imperial city, our Saviour was performing His deeds of mercy, and proclaiming the Gospel of Salvation to the Jews. Judea at this time was a Roman province, and the treatment of that country by the Roman Emperor, cannot but be extremely interesting to the Christian reader. The last two chapters contain an account of the various offices of the government; the privileged orders; the Senate and the Knights; the finances and the military establishment of this extended and heterogeneous empire, at the time of the inauguration of the new order of things. This history bridges in a substantial and agreeable manner, that chasm which has till now existed between the termination of Dr. *ARNOLD's* learned

work, and the period when GIBBON takes up the story of the eternal city. It is not too much to say that Mr. MERRIVALE has executed his part in a manner worthy of the distinguished connection in which it stands. The American edition is very neatly gotten up, and the present volume is enriched with a beautiful map of Rome. It is a work that should ornament the shelves of every man who takes pleasure in classical literature, or has any desire for historic information.

The Management of Steel, including Forging, Hardening, Tempering, Annealing, Shrinking and Expansion; also the Case-Hardening of Iron. By GEORGE EDE, employed at the Royal Gun Factories Department, Woolwich Arsenal, England. American edition. D. APPLETON & Co.

It would, indeed, be strange if twenty years of practical experience and hard study did not qualify any man of capacity, to give some valuable information concerning the pursuit to which he has so long devoted himself; how much then may we expect from him, who, like the author of this charming little book, is led by a knowledge derived from a thorough scientific investigation, to give to others the result of his long experience in this interesting art. This little work of Mr. EDE is essentially practical. It does not attempt to show how certain experiments confirm certain preconceived scientific theories; but its object is (and it is an object it adheres to,) to tell the practical workman how he may accomplish what he wished, so as to produce the best article in the most economical way. It treats of the management of steel under all its different forms, and gives many valuable hints with regard to forging, hardening, tempering, and annealing. It is not one of those thick, double-columned, finely printed volumes, which frighten by their size, and look so dry: but like a true gem it requires but little room, and can be carried in the pocket, and read during odd bits of leisure time. It will be found exceedingly useful if not essential both to him who makes the working of steel a daily labor, as well as to him who, interested in the art, pursues it only as an agreeable recreation.

VALUE OF CURRENCY AS COMPARED WITH GOLD.

THE Metropolitan Marine and Fire Insurance Company, (a company, by the way, which has met with remarkable success since its organization,) advertises to pay losses in gold, when the premiums are paid in gold, and publishes the following comparative table, showing the relative value of currency and gold. The table is very conveniently arranged, and will be found valuable for reference:

TABLE SHOWING THE VALUE OF CURRENCY AS COMPARED WITH GOLD.

When Gold is sold for Cur- rency at	The disc't on U. \$100 in Cur- S. L. Tender rency will buy Currency is in Gold.	When Gold is sold for Cur- rency at	The disc't on U. \$100 in Cur- S. L. Tender rency will buy Currency is in Gold.
105 00	4.77 pr. ct. \$95 23	210 00	52.38 pr. ct. \$47 62
110 00	9.10 do 90 90	215 00	53.49 do 46 51
115 00	13.05 do 86 95	220 00	54.55 do 45 45
120 00	16.67 do 83 33	225 00	55.56 do 44.44
125 00	20.00 do 80 00	230 00	56.52 do 43 48
130 00	23.08 do 76 92	240 00	58.33 do 41 67
135 00	25.93 do 74 07	250 00	60.00 do 40 00
140 00	28.58 do 71 42	260 00	61.54 do 38 46
145 00	31.04 do 68 96	270 00	62.96 do 37 04
150 00	33.34 do 66 66	280 00	64.29 do 35 71
155 00	35.49 do 64 51	290 00	65.52 do 34 48
160 00	37.50 do 62 50	300 00	66.67 do 33 33
165 00	39.40 do 60 60	400 00	75.00 do 25 00
170 00	41.18 do 58 82	500 00	80.00 do 20 00
175 00	42.86 do 57 14	600 00	83.34 do 16 66
180 00	44.45 do 55 55	700 00	85.71 do 14 29
185 00	45.95 do 54 05	800 00	87.50 do 12 50
190 00	47.37 do 52 63	900 00	88.89 do 11 11
195 00	48.72 do 51 28	1,000 00	90.00 do 10 00
200 00	50.00 do 50 00	5,000 00	98.00 do 2 00
205 00	51.22 do 48 78	10,000 00	99.00 do 1 00

THE
MAY 1864

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

CONTENTS OF No. V., VOL. L.

VOLUME L. MAY, 1864. NUMBER V.

ART.	PAGE
I. OUR NATIONAL FINANCES.....	825
II. COMMERCIAL LAW. No. 12. PARTNERSHIP—Continued.....	329
III. LETTER TO MY COUNTRY YOUNG FRIEND ON SEEKING A SITUATION IN THE CITY. By J. M. S.....	334
IV. FINANCES OF THE STATES—Continued.....	337
V. CANADA COMMERCE AND FINANCES.....	348
VI. LETTERS OF E. G. SPAULDING TO MORRIS KETCHUM.....	358
VII. COMMERCIAL CHRONICLE AND REVIEW.....	359

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

National Banks of the United States.....	367
Boston Banks.....	873
New York Banks.....	873
Philadelphia Banks.....	373
Bank of England.....	873
Bank of France.....	374
Mexican Loan.....	375
THE RECIPROCITY TREATY—SHALL IT BE ABROGATED?.....	876
LEGAL-TENDER NOTES.—Has Congress the Power to make Notes a Legal-Tender?.....	887
COMMERCIAL REGULATIONS.....	397
THE BOOK TRADE.....	401
VALUE OF CURRENCY AS COMPARED WITH GOLD.....	403

1840



Very truly Yours
Nathaniel Taylor

Engraving for Harris Merchants Magazine.